

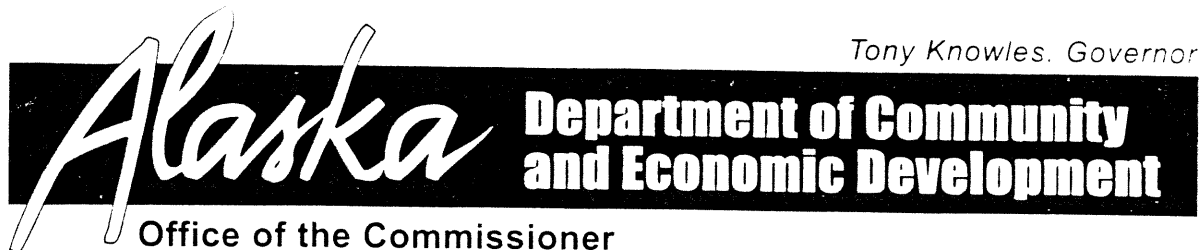
Appendices Not Included due to their size  
But Available From NMFS upon request

Contact: Sally Bibb  
(907) 586-7389

Appendix 2: Public Notices

Appendix 3: Public Hearing Transcript

**Appendix 4  
NPFMC Council Letter**



Tony Knowles, Governor

**Office of the Commissioner**

P.O. Box 110800, Juneau, AK 99811-0800

Telephone: (907) 465-2500 • Fax: (907) 465-5442 • Text Telephone: (907) 465-5437

Email: [questions@dced.state.ak.us](mailto:questions@dced.state.ak.us) • Website: [www.dced.state.ak.us/](http://www.dced.state.ak.us/)

September 24, 2002

David Benton, Chairman  
North Pacific Fishery Management Council  
605 West 4<sup>th</sup> Avenue, Suite 306  
Anchorage, Alaska 99501-2252

RE: 2003-2005 CDQ Allocation Recommendations

Dear Mr. Chairman:

The State of Alaska received six Community Development Plan (CDP) applications for the multi-species and associated bycatch Community Development Quota (CDQ) for the 2003-2005 allocation cycle. The allocations are to the six regional organizations or CDQ groups, representing 65 eligible communities bordering the Bering Sea. The CDQ communities, through their respective CDQ group board of directors, submit CDP's to the state that are designed to assist the CDQ groups in becoming successful participants in the North Pacific fishing industry, thereby improving the social and economic conditions specific to their regions. Through the combined efforts of the CDQ groups, private industry partners, State of Alaska, National Marine Fisheries Service and the North Pacific Fishery Management Council (NPFMC) the success of the CDQ program has exceeded all initial expectations.

Prior to the formation of the CDQ program, adjacent western Alaska communities captured virtually none of the value of the Bering Sea groundfish resource. Since the program began ten years ago, fishery revenues of over \$340 million have been directed towards investments on behalf of the eligible communities. The CDQ program has led to over \$80 million in wages, education and training benefits for CDQ residents. CDQ groups have invested in in-region seafood infrastructure projects and fish processing investments. The aggregate asset value of the six CDQ groups at the end of 2001 was in excess of \$190 million.

The CDQ program has provided benefits beyond the boundaries of the 65 eligible communities. Residents from non-CDQ communities have participated in education and training programs and have been a source of employment for CDQ groups and industry partners. CDQ industry partners also benefit from an increase in access to fisheries quota beyond the open access fishery. CDQ group investments into harbor-related improvements have provided benefits to participant's industry-wide.

It is the responsibility of the State of Alaska CDQ Team (Team) to provide assistance and oversight responsibilities for the program to ensure that CDQ resources are effectively utilized while providing maximum benefits to western Alaska residents. The Team carries out this responsibility in its review of the CDP applications, the quarterly and annual reports and independent financial and management audits.

*"Promoting a healthy economy and strong communities"*

## 2003-2005 CDQ Allocation Recommendations

The state has reviewed the CDP applications from the following CDQ groups:

- Aleutian Pribilof Island Development Association (APICDA)
- Bristol Bay Economic Development Corporation (BBEDC)
- Central Bering Sea Fishermen's Association (CBSFA)
- Coastal Villages Region Fund (CVRF)
- Norton Sound Economic Development Corporation (NSEDC)
- Yukon Delta Fisheries Development Association (YDFDA)

Many factors are carefully considered during the allocation process. Criteria in state and federal regulations are followed in conjunction with input from a public hearing and private interviews with CDQ groups. The criteria in state regulations used to evaluate CDP applications are included as an attachment to this letter. CDP applications are due to the state by July 1. The state has 15 days to provide an initial evaluation of a proposed CDP. The applicant must, in turn, submit any additional information within 10 days after being notified by the CDQ Team. Thereafter public and private meetings were held with each group to discuss the CDP's. Utilizing a scorecard format, the state team then scored each group based on the applicable criteria, scores were tabulated and averaged, and initial allocation recommendations were announced to the groups. Each group was also given a copy of all comments from the scorecards relating to the group. The groups were then given an opportunity to comment on the state's recommendations. Copies of those comments and the state's response will be made available to the Council at the hearing on this agenda item.

After consultation with the CDQ groups and the NPMFC, the state established a three-year allocation cycle for the period of 2003-2005. The allocation will involve all groundfish, halibut and crab species. The multi-species allocation percentages for non-target species are derived through application of a model based on the historical harvests made by the CDQ groups. Several allocation cycles have taken place since the beginning of the CDQ program in 1992.

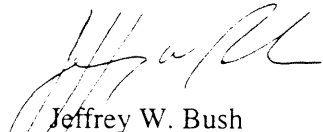
The state CDQ Team's recommended 2003-2005 primary target species allocation are as follows:

CDQ Groups	Pollock	Pacific Cod	Opilio Crab	Bristol Bay King Crab	Halibut
APICDA	14%	15%	8%	17%	4B – 100% 4C – 15%
BBEDC	21%	21%	20%	19%	4D – 26% 4E – 30%
CBSFA	5%	9%	20%	10%	4C – 85%
CVRF	24%	18%	17%	18%	4D – 24% 4E – 70%
NSEDC	22%	18%	18%	18%	4D – 30%
YDFDA	14%	19%	17%	18%	4D – 20%

2003-2005 CDQ Allocation Recommendations

The state would like to take this opportunity to thank the NPFMC for its continued support of the CDQ program. We hope that our continued oversight of the program will maximize benefits to the CDQ regions and all participants in the North Pacific fishing industry.

Sincerely,



Jeffrey W. Bush  
Deputy Commissioner

Attachments

cc: Governor Knowles  
NPFMC Members  
Chris Oliver, Executive Director, NPFMC  
Commissioner Frank Rue, Alaska Department of Fish & Game  
NMFS  
CDQ Groups  
CDQ Team

State of Alaska 2003 -- 2005 CDQ Quota Allocation Recommendations  
By Species and Group

		APICDA Allocations	BBEDC Allocations	CBSFA Allocations	CVRF Allocations	NSDC Allocations	YDFDA Allocations	TOTAL
<b>Pollock</b>	Bering Sea/AI/Bogoslof	14%	21%	5%	24%	22%	14%	100%
<b>Pacific Cod</b>		15%	21%	9%	18%	18%	19%	100%
<b>Sablefish</b>	Fixed Gear - BS	15%	20%	16%	0%	18%	31%	100%
	Fixed Gear - AI	14%	19%	3%	27%	23%	14%	100%
	Trawl - BS	21%	22%	9%	13%	13%	22%	100%
	Trawl - AI	26%	20%	8%	13%	12%	21%	100%
<b>Atka mackerel</b>	Western - AI	30%	15%	8%	15%	14%	18%	100%
	Central - AI	30%	15%	8%	15%	14%	18%	100%
	Eastern - EAI/BS	30%	15%	8%	15%	14%	18%	100%
<b>Yellowfin sole</b>		28%	24%	8%	6%	7%	27%	100%
<b>Rocksole</b>		24%	23%	8%	11%	11%	23%	100%
<b>Greenland turbot</b>	BS	16%	20%	8%	17%	19%	20%	100%
	AI	17%	19%	7%	18%	20%	19%	100%
<b>Arrowtooth</b>		22%	22%	9%	13%	12%	22%	100%
<b>Flathead sole</b>		20%	21%	9%	15%	15%	20%	100%
<b>Other Flats</b>		26%	24%	8%	8%	8%	26%	100%
<b>Alaska plaice</b>		14%	21%	5%	24%	22%	14%	100%
<b>Pacific Ocean Perch</b>	BS	17%	21%	6%	21%	19%	16%	100%
	Western - AI	30%	15%	8%	15%	14%	18%	100%
	Central - AI	30%	15%	8%	15%	14%	18%	100%
	Eastern - AI	30%	15%	8%	15%	14%	18%	100%
<b>Other Red Rockfish</b>	BS	18%	19%	8%	18%	18%	19%	100%
<b>Northern Rockfish</b>	AI	30%	15%	8%	15%	14%	18%	100%
<b>Shortraker/Rougheye</b>	AI	22%	17%	8%	17%	17%	19%	100%
<b>Other Rockfish</b>	BS	21%	19%	7%	17%	17%	19%	100%
	AI	21%	18%	8%	17%	17%	19%	100%
<b>Other Species</b>		18%	21%	9%	16%	16%	20%	100%
<b>Prohibited Species Quota</b>								
	Zone 1 Red King Crab (#)	24%	21%	8%	12%	12%	23%	100%
	Zone 1 C. bairdi (#)	26%	24%	8%	8%	8%	26%	100%
	Zone 2 C. bairdi (#)	24%	23%	8%	11%	10%	24%	100%
	C. opilio (#)	25%	24%	8%	10%	8%	25%	100%
	Pacific halibut (mt)	22%	22%	9%	12%	12%	23%	100%
	Chinook salmon (#)	14%	21%	5%	24%	22%	14%	100%
	Non-Chinook salmon (#)	14%	21%	5%	24%	22%	14%	100%
<b>Halibut</b>	4B	100%	0%	0%	0%	0%	0%	100%
	4C	15%	0%	85%	0%	0%	0%	100%
	4D	0%	26%	0%	24%	30%	20%	100%
	4E	0%	30%	0%	70%	0%	0%	100%
<b>Crab</b>								
	Bristol Bay Red King	17%	19%	10%	18%	18%	18%	100%
	Norton Sound Red King	0%	0%	0%	0%	50%	50%	100%
	Pribilof Red & Blue King	0%	0%	100%	0%	0%	0%	100%
	St. Matthew Blue King	50%	12%	0%	12%	14%	12%	100%
	Bering Sea C. <b>opilio</b>	8%	20%	20%	17%	18%	17%	100%
	Bering Sea C. <b>bairdi</b>	10%	19%	19%	17%	18%	17%	100%

## FACTORS FOR CONSIDERATION IN CDP APPLICATION

In reviewing the CDP applications, the state is to consider the following factors.

- CDPs provides specific and measurable benefits to each community participating in the CDP.
- A proposed CDP has the support of all participating communities.
- The CDQ group, to the greatest extent possible, has promoted conservation-based fisheries by taking actions that will minimize bycatch, provide for full retention and increased utilization of the fishery resource, and minimize impact to essential fish habitats.
- The number of participating eligible communities, the population of each community and the economic conditions in each community.
- The size of the allocation requested by the applicant and the proper allocation necessary to achieve the milestones and objectives stated in the proposed CDP.
- The degree, if any, to which each CDQ project is expected to develop a self-sustaining local fisheries economy, and the proposed schedule for transition from reliance on an allocation to economic self-sufficiency.
- The degree, if any, to which each CDQ project is expected to generate capital or equity in the local fisheries economy or infrastructure; or investment in commercial fishing or fish processing operations.
- The applicant's contractual relationship with joint venture partners and the managing organization.
- The applicant's and the applicant's harvesting and processing partners', if any, involvement and diversity in all facets of harvesting and processing.
- The coordination or cooperation with other applicants or CDQ groups on CDQ projects.
- The experience of the applicant's industry partners, if any.
- The applicant's CDQ projects for employment, education, and training that provide career track opportunities.
- The benefits, if any, to the state's economy or to the economy of communities that are not eligible to participate in the CDQ program.
- A demonstration that the applicant has a formal, effective administrative process that sets out sound business principles and examples of due diligence that the applicant will exercise.
- The development, if any, of innovative products and processing techniques as well as innovation in harvesting gear for conservation and maximum utilization of the fishery resource.
- The applicant's ability to maintain control over each of its allocations.
- The capital or equity to be generated by the applicant's CDQ projects for fisheries-related business investment.
- The past performance of the applicant and the applicant's industry partners, as appropriate.
- The applicant's transition plan, including the objectives set out in the milestone table.
- The inclusion in the proposed CDP of realistic measurable milestones for determining progress.
- The degree of participating community input in developing the proposed CDP.
- The likely effectiveness of the outreach project.
- Comments provided by other agencies, organizations, and the public.

# 2003-2005 CDP Scorecard

## Current regulations 6 AAC 93

Category	Regulation	Purpose	Source of Information	APC/DA	BBE/DC	CBSEA	CVRF	NSE/DC	YDF/DA
Population & Economic Needs	6 AAC 93.040(b)(1)	Evaluation of population and economic conditions of eligible CDQ communities participating in a proposed CDP.	<ol style="list-style-type: none"> <li>1) Analysis of 2000 U.S. Census report including population, current community infrastructure, and individual household demographic information.</li> <li>2) Consultation with the Alaska Dept. of Labor and Dept. of Community &amp; Economic Development for demographic information.</li> <li>3) Consultation with Department of Revenue, Division of Permanent Fund applicant statistics.</li> <li>4) Analysis of proposed CDP and annual audits from prior CDP cycle.</li> <li>5) Interviews with CDQ applicants</li> </ol>	4.3	7.3	4.3	10	9	6.7
CDP Achievement	6 AAC 93.040(b)(2), (b)(16), and (b)(17)	Achievement of CDP and program milestones & objectives. Factors for consideration include allocation requests and the proper allocations necessary to achieve CDP milestones. Discussion of milestones and how they relate to a transition plan from reliance on CDQ to self-sufficiency.	<ol style="list-style-type: none"> <li>1) Discussion of milestones during a CDP cycle.</li> <li>2) Evaluation of CDP milestones..</li> <li>3) Interviews with CDQ applicants.</li> </ol>	4.3	8.3	4.7	9	7.3	7
Community Regional & Statewide Benefits	6 AAC 93.017(1), (2), (8), (9)  6 AAC 93.040(b)(3), (b)(4), (b)(9), (b)(10), (b)(12), (b)(13), and (b)(14)	Evidence a CDP provides fisheries related social and economic benefits, including employment and training programs, to each eligible CDQ community and to the state, derived from maximum utilization and control of CDQ allocations and CDQ investments.	<ol style="list-style-type: none"> <li>1) Analysis of project sheet forms in proposed CDP.</li> <li>2) Performance of investments as determined through audited financial statements.</li> <li>3) Milestone achievements as presented in annual audits.</li> <li>4) Analysis of statistics from quarterly reports.</li> <li>5) Interviews with CDQ applicants</li> </ol>	7.3	5.3	7.3	6.3	6.3	5.7



# 2003-2005 CDP Scorecard (continued)

## Current regulations 6 AAC 93

Category	Regulation	Purpose	Source of Information	APC/DA	BBE/DC	CBS/FA	CVR/FE	NSE/DC	YDF/DA
<b>Community Outreach &amp; Involvement</b>	6 AAC 93.040(b)(2), (b)(3), (b)(10), (b)(16), (b)(17), (b)(18), (b)(19)	Evidence that the applicant has developed an effective outreach program to keep participating communities fully informed about CDQ activities and to facilitate community involvement throughout the CDQ cycle.	1) Analysis of CDP milestones. 2) Verification of contact with community through analysis of quarterly reports, board and committee meeting minutes, annual reports, and outreach conferences. 3) Interviews with CDQ applicants.	5.7	6.7	8	6.3	7	7.3
<b>Management Effectiveness</b>	6 AAC 93.040(b)(8), (b)(11), (b)(13), (b)(14), (b)(15), (b)(16), (b)(17)	Demonstration of management effectiveness & efficiency, including board training and participation, as well as a formal effective administrative process utilizing sound business principles while exercising a sufficient level of due diligence to complete the goals and objectives of the proposed CDQ. Demonstration of effective management of allocations relative to enforcement measures.	1) Completion of CDP milestones. 2) Use of consultants to perform management duties & technical analysis. 3) Number of CDQ region residents employed in management positions. 4) Analysis of overall program & administrative costs in annual audited reports & CDP budgets. 5) Analysis of staff & independent contractor compensation packages. 6) Interviews with CDQ applicants.	5	7	4.3	8	6.7	6.7
<b>CDQ Program Standards</b>	6 AAC 93.017(1)-(9) 6 AAC 93.040(b)(2), (b)(3), (b)(4), (b)(5), (b)(6), (b)(7), (b)(14), (b)(15), (b)(20)	Evidence that a CDQ applicant has minimized legal and financial risk by exercising sufficient due diligence and demonstrating a reasonable likelihood that for-profit CDQ projects will earn a financial return, meet measurable CDP milestones, utilize conservation-based fisheries and further the overall goals and purposes of the CDQ program.	1) Analysis of annual audited independent reports. 2) Analysis of CDP investment guidelines and due diligence on investments. 3) Analysis of milestones in annual audited reports. 4) Analysis of proposed CDP and plans for CDP cycle. 5) Input from public concerning the goals and objectives of a proposed CDP. 6) Interviews with CDQ applicants.	5	8	5.7	8.7	5.7	7.3

### Assumptions:

- 1) Other sources analyzed during the allocation process will include quarterly reports and all correspondence between the state and the CDQ applicant during the previous and current CDP application cycle.

**Appendix 5**  
**Recommended 2003-2005 CDQ Allocation Table**

State of Alaska 2003 -- 2005 CDQ Quota Allocation Recommendations  
By Species and Group

		APICDA Allocations	BBEDC Allocations	CBSFA Allocations	CVRF Allocations	NSEDC Allocations	YDFDA Allocations	TOTAL
Pollock	Bering Sea/AI/Bogoslof	14%	21%	5%	24%	22%	14%	100%
Pacific Cod		15%	21%	9%	18%	18%	19%	100%
Sablefish	Fixed Gear - BS	15%	20%	16%	0%	18%	31%	100%
	Fixed Gear - AI	14%	19%	3%	27%	23%	14%	100%
	Trawl - BS	21%	22%	9%	13%	13%	22%	100%
	Trawl - AI	26%	20%	8%	13%	12%	21%	100%
Atka mackerel	Western - AI	30%	15%	8%	15%	14%	18%	100%
	Central - AI	30%	15%	8%	15%	14%	18%	100%
	Eastern - EAI/BS	30%	15%	8%	15%	14%	18%	100%
Yellowfin sole		28%	24%	8%	6%	7%	27%	100%
Rocksole		24%	23%	8%	11%	11%	23%	100%
Greenland turbot	BS	16%	20%	8%	17%	19%	20%	100%
	AI	17%	19%	7%	18%	20%	19%	100%
Arrowtooth		22%	22%	9%	13%	12%	22%	100%
Flathead sole		20%	21%	9%	15%	15%	20%	100%
Other Flats		26%	24%	8%	8%	8%	26%	100%
Alaska plaice		14%	21%	5%	24%	22%	14%	100%
Pacific Ocean Perch	BS	17%	21%	6%	21%	19%	16%	100%
	Western - AI	30%	15%	8%	15%	14%	18%	100%
	Central - AI	30%	15%	8%	15%	14%	18%	100%
	Eastern - AI	30%	15%	8%	15%	14%	18%	100%
Other Red Rockfish	BS	18%	19%	8%	18%	18%	19%	100%
Northern Rockfish	AI	30%	15%	8%	15%	14%	18%	100%
Shortraker/Rougheye F	AI	22%	17%	8%	17%	17%	19%	100%
Other Rockfish	BS	21%	19%	7%	17%	17%	19%	100%
	AI	21%	18%	8%	17%	17%	19%	100%
Other Species		18%	21%	9%	16%	16%	20%	100%
<b>Prohibited Species Quota</b>								
	Zone 1 Red King Crab (#)	24%	21%	8%	12%	12%	23%	100%
	Zone 1 C. bairdi (#)	26%	24%	8%	8%	8%	26%	100%
	Zone 2 C. bairdi (#)	24%	23%	8%	11%	10%	24%	100%
	C. opilio (#)	25%	24%	8%	10%	8%	25%	100%
	Pacific halibut (mt)	22%	22%	9%	12%	12%	23%	100%
	Chinook salmon (#)	14%	21%	5%	24%	22%	14%	100%
	Non-Chinook salmon (#)	14%	21%	5%	24%	22%	14%	100%
Halibut	4B	100%	0%	0%	0%	0%	0%	100%
	4C	15%	0%	85%	0%	0%	0%	100%
	4D	0%	26%	0%	24%	30%	20%	100%
	4E	0%	30%	0%	70%	0%	0%	100%
Crab								
	Bristol Bay Red King	17%	19%	10%	18%	18%	18%	100%
	Norton Sound Red King	0%	0%	0%	0%	50%	50%	100%
	Pribilof Red & Blue King	0%	0%	100%	0%	0%	0%	100%
	St. Matthew Blue King	50%	12%	0%	12%	14%	12%	100%
	Bering Sea C. opilio	8%	20%	20%	17%	18%	17%	100%
	Bering Sea C. bairdi	10%	19%	19%	17%	18%	17%	100%

**Appendix 6**  
**2003-2005 Initial CDQ Allocation Requests**

## Executive Summary

### Section 1.0                      Name of Applicant

The applicant for groundfish and crab is the Aleutian Pribilof Island Community Development Association (APICDA). For Area 4B and Area 4C halibut, APICDA is the applicant on behalf of the City of Atka and the Atka Fishermen's Association, and the City of St. George and the St. George Island Fishermen's Association, respectively.

### Section 2.0                      Total CDQ and PSC Requested

APICDA is requesting total CDQ tonnage, target and bycatch, as identified below.

<b>Total Groundfish CDQ Fisheries</b>	<b>CDQ Allocation (%)</b>	<b>CDQ Allocation (mt)</b>
Pollock	18%	26,730
Pacific Cod	18%	2,700
Sablefish Fixed Gear (BS)	25%	48
Sablefish Fixed Gear (AI)	20%	77
Sablefish Trawl (BS)	25%	18
Sablefish Trawl (AI)	20%	48
Atka Mackerel	30%	1,103
Yellowfin Sole	29%	1,871
Rocksole	10%	405
Turbot (BS)	16%	64
Turbot (AI)	18%	36
Arrowtooth	18%	216
Flathead Sole	20%	375
Other Flatfish	20%	45
Alaska Plaice	20%	180
Pacific Ocean Perch (BS)	30%	59
Pacific Ocean Perch (AI)	30%	274
Other Red Rockfish	23%	10
Northern	20%	289
Short/Rougheye	17%	24
Other Rockfish (BS)	16%	7
Other Rockfish (AI)	16%	14
Other Species	19%	439
<b>Total Groundfish</b>		<b>35,031</b>

<b>Prohibited Species</b>	<b>CDQ Allocation (%)</b>	<b>CDQ Allocation (mt)</b>
Red King Crab (numbers)	19%	1,382
Bairdi Tanner Crab Zone 1 (numbers)	26%	19,510
Bairdi Tanner Crab Zone 2 (numbers)	23%	51,233
Opilio (numbers)	26%	84,825
Halibut (mt of mortality)	20%	69
Chinook Salmon (numbers)	19%	684
Other Salmon (numbers)	19%	599

## Executive Summary, APICDA Year 2003/05 CDP

### Halibut

Area 4B	100%	836,000 lbs.
Area 4C	15%	152,250 lbs.

### Shellfish CDQ (2002 pounds)

Bristol Bay Red King Crab	25%	140,625
Norton Sound	0%	0%
Pribilof Island	0%	0
St. Matthew's	50%	0
Opilio Tanner Crab	25%	577,875
Bairdi Tanner Crab	25%	0

APICDA's proposed CDP is developed with two primary economic goals that work in tandem with our employment goals: maintain and improve existing businesses, with particular emphasis on in-community businesses, and construct or expand processing facilities in St. George, Nelson Lagoon and Atka. Only through seafood processing facilities will these communities have any opportunity to develop stable local economies that can provide meaningful long-term employment and stability for their residents.

APICDA is committed to processing as much fish on shore in Alaska as is practical and economically feasible. We have structured our partnership relationships so that we can generally move harvests either on-shore or off-shore as opportunities and needs present themselves.

### Section 3.0 Communities Represented Within Application

The following eligible communities participate in APICDA:

<u>Community</u>	<u>Within 50 miles of Bering Sea</u>	<u>On the Bering Sea Coast</u>	<u>Certified Under PL 92-203</u>	<u>Majority of Fishery Activity in Bering Sea</u>
Akutan	Yes	Yes	Yes	Yes
Atka	Yes	Yes	Yes	Yes
St. George	Yes	Yes	Yes	Yes
Nelson Lagoon	Yes	Yes	Yes	Yes
False Pass	Yes	Yes	Yes	Yes
Nikolski	Yes	Yes	Yes	Yes

### Section 4.0 Description of the Managing Organization

APICDA is a 501 (c) (3) non-profit organization incorporated in the State of Alaska. APICDA is in good standing with the Alaska Department of Commerce & Economic Development.

Bristol Bay Economic Development Corporation is the applicant.

BBEDC is located at P.O. Box 1464, Dillingham, Alaska 99576. H. Robin Samuelsen is the President and Chief Executive Officer of the Corporation and is under the general policy guidance of the Board of Directors and its Executive Committee.

BBEDC is a non-profit, regional economic development corporation organized in 1992 under the laws of the State of Alaska and is recognized as tax exempt under Section 501 (c) (4) of the Internal Revenue Service code.

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## **B. Table of Total CDQ and PSQ Allocation Request in %**

### **Introduction**

BBEDC's CDQ harvesting strategy incorporates experienced industry partners with a demonstrated commitment to operating within the rules and regulations of the CDQ program. To assist its harvesting partners, BBEDC utilizes one of the most sophisticated and successful quota management systems in existence today. Together, this has resulted in excellent utilization of the most valuable CDQ allocations and minimization of bycatch to the greatest extent possible, and maximization of returns to BBEDC.

There are many unknowns concerning the actual non-target species bycatch and prohibited species rates that the CDQ fisheries will encounter. BBEDC and its partners cannot anticipate all possible outcomes and describe them here. Changes in market conditions, bycatch levels, or fisheries regulations among other things will be considered when specific plans are formulated to implement the general fish plan described here.

BBEDC uses the actual average of BBEDC's 2000 and 2001 CDQ fisheries bycatch rates for pollock and cod only. The bycatch requests for other fisheries are based on the actual 1995-1997 industry average data that BBEDC requested and compiled from NMFS. BBEDC did not use the state matrix for this CDF submission.

BBEDC has confidence that this method will work for determining harvesting partners' bycatch needs. Barring extraordinary circumstances, there is a reasonable assurance of achieving the harvest projections with these rates.

### **Notes to the following table:**

\* Pollock Bycatch in Non-Pollock fisheries does not accrue against BBEDC's Pollock CDQ allocation. BBEDC included the data to identify how much pollock bycatch we expect to encounter in non-pollock fisheries

\*\*The directed portion of the Sablefish trawl allocation will be harvested with fixed gear.

\*\*\*The apparent overage for Other Species will be covered with the Non-Specific reserve. After transferring all the NSR to OS, we project a remaining balance of 92.7 MT, which will be used as a cushion incase high OS bycatch rates are encountered.

## Total Community Development Quota Allocations and Prohibited Species Quota Allocation

Target Species	Directed Fisheries %	Directed % + Bycatch %	2003-2005 Request
Halibut			
4D	29.80%	29.80%	30.00%
4E	40.00%	40.00%	40.00%
Bristol Bay Red King Crab	24.80%	24.80%	25.00%
Norton Sound Red King Crab	0.00%	0.00%	0.00%
Pribilof Red & Blue King Crab	0.00%	0.00%	0.00%
St. Mathew Blue King Crab	24.80%	24.80%	25.00%
Bering Sea C. Opilio Tanner Crab	24.80%	24.80%	25.00%
Bering Sea C. Bairdi Tanner Crab	24.80%	24.80%	25.00%
Pollock*	22.97%	23.08%*	23.00%
Pacific Cod (BS/AI)	23.73%	24.98%	25.00%
Sablefish - Fixed Gear			
BS	20.73%	22.19%	25.00%
AI	12.53%	13.03%	25.00%
Greenland Turbot (BS/AI)			
BS	7.46%	23.46%	25.00%
AI	5.05%	22.21%	25.00%
Atka Mackerel			
Eastern 541	12.11%	12.12%	15.00%
Central 542	14.01%	14.01%	15.00%
Western 543	13.53%	13.66%	15.00%
Yellowfin Sole (BS/AI)	6.20%	7.62%	24.00%
Flathead Sole (BS/AI)	7.47%	10.90%	20.00%
Alaska Plaice (BS/AI)		6.41%	23.00%
Other Flatfish (BS/AI)		8.56%	23.00%
Rock Sole (BS/AI)	1.23%	5.57%	23.00%
<b>Non Target Species</b>			
Arrowtooth Flounder (BS/AI)		13.33%	25.00%
Sablefish - Trawl**			
BS	0.00%	0.66%	23.00%
AI	0.00%	0.02%	15.00%
Pacific Ocean Perch Complex			
True POP (EBS)		0.24%	24.00%
Other POP (EBS)		10.51%	24.00%
True POP:			
Eastern 541		1.58%	15.00%
Central 542		2.18%	15.00%
Western 543		1.93%	15.00%
Northern Rockfish AI		4.09%	23.00%
Shortraker/Rougheye AI		10.99%	23.00%
Other Rockfish			
BS		11.32%	24.00%
AI		17.91%	23.00%
Other Species (BS/AI)***		32.32%***	25.00%
<b>Prohibited Species (measurement differs):</b>			
		<b>PSC Bycatch</b>	<b>Allocation %</b>
Halibut (mt)		8.81%	25.00%
Bairdi - Zone 1 (#)		1.48%	23.00%
Bairdi - Zone 2 (#)		1.48%	23.00%
Red King Crab - Zone 1 (#)		1.07%	23.00%
Opilio	no data available	no data available	23.00%
Chinook Salmon (#)		12.58%	23.00%
Non-Chinook Salmon (#)		20.70%	23.00%



Central Bering Sea Fishermen's Association  
2003 - 2005 CDQ Multi-Species Application for Quota

<b>Species or Species Group</b>	<b>%CBSFA</b>
<b>BS Pollock - total</b>	<b>10%</b>
A/B season (40%)	10%
C/D season (60%)	10%
AI Pollock	10%
<b>Bogoslof Pollock</b>	<b>10%</b>
Pacific Cod	20%
<b>BS FG Sablefish</b>	<b>20%</b>
AI FG Sablefish	10%
<b>BS Sablefish</b>	<b>20%</b>
AI Sablefish	10%
<b>WAI Atka Mackerel</b>	<b>15%</b>
CAI Atka Mackerel	15%
<b>EAI/BS Atka Mackerel</b>	<b>15%</b>
Yellowfin Sole	15%
<b>Rock Sole</b>	<b>15%</b>
BS Greenland Turbot	10%
<b>AI Greenland Turbot</b>	<b>10%</b>
Arrowtooth Flounder	15%
<b>Flathead Sole</b>	<b>15%</b>
Other Flatfish	18%
<b>Alaska Plaice (NEW)</b>	<b>16%</b>
BS Pacific Ocean Perch	15%
<b>WAI Pacific Ocean Perch</b>	<b>12%</b>
CAI Pacific Ocean Perch	12%
<b>EAI Pacific Ocean Perch</b>	<b>12%</b>
BS Other Red Rockfish	15%
<b>AI Northern</b>	<b>12%</b>
AI Shortraker/Rougheye	12%
<b>BS Other Rockfish</b>	<b>15%</b>
AI Other Rockfish	15%
<b>Other Species</b>	<b>18%</b>
<hr/> <b>Prohibited Species</b>	
Zone 1 Red King Crab	8%
<b>Zone 1 Bairdi Tanner Crab</b>	<b>8%</b>
Zone 2 Bairdi Tanner Crab	9%
<b>Opilio Tanner Crab</b>	<b>9%</b>
Pacific Halibut	9%
<b>Chinook Salmon</b>	<b>4%</b>
Non-Chinook Salmon	5%
<hr/> <b>Halibut CDQ</b>	
Halibut 4B	0%
<b>Halibut 4C</b>	<b>90%</b>
Halibut 4D	0%
<b>Halibut 4E</b>	<b>0%</b>
<hr/> <b>Crab</b>	
Bristol Bay Red King	17%
<b>Norton Sound Red King</b>	<b>0%</b>
Pribilof Red & Blue King	100%
<b>St. Matthew Blue King</b>	<b>0%</b>
Bering Sea C. Opilio Tanner	25%
<b>Bering Sea C. Bairdi Tanner</b>	<b>19%</b>

# COASTAL VILLAGES REGION FUND

## 2003-2005 Multi-Species CDQ Community Development Plan and Application

### Executive Summary

#### A. NAME OF APPLICANT

The Coastal Villages Region Fund (CVRF) is the applicant for the twenty communities of the Coastal Villages region. CVRF is a tax-exempt corporation organized under the laws of the State of Alaska. Additionally, CVRF is the managing organization for the CDQ program for its region.

The Coastal Villages Region Fund is pleased to be able to submit this application on behalf of its member communities. The CDQ program will provide a wide range of benefits to the residents of the Coastal Villages region. Opportunities for employment, training, education, financial assistance, improvements in regional fisheries infrastructure, and investments are all contained in this application and community development plan.

The Board of Directors of CVRF looks forward to the State review process and answering any questions that may arise during the State's analysis of the application.

#### B. TABLE OF TOTAL CDQ ALLOCATION REQUEST IN PERCENTAGES

TARGET	PERCENT
<b>Groundfish CDQ Species:</b>	
BS Pollock – total	27
AI Pollock	27
Bogoslof Pollock	27
Pacific Cod	27
BS FG Sablefish	-
AI FG Sablefish	27
BS Sablefish	27
AI Sablefish	10
WAI Atka Mackerel	9
CAI Atka Mackerel	9
EAI/BS Atka Mackerel	15
Yellowfin Sole	27
Rock Sole	27
BS Greenland Turbot	27
AI Greenland Turbot	21
Arrowtooth Flounder	27
Flathead Sole	27
Other Flatfish	27
Alaska Plaice (NEW)	27

BS Pacific Ocean Perch	27
WAI Pacific Ocean Perch	4
CAI Pacific Ocean Perch	4
EAI Pacific Ocean Perch	4
BS Other Red Rockfish	27
AI Northern	27
AI Shortraker/Roughey	27
BS Other Rockfish	27
AI Other Rockfish	27
Other Species	27
<b>Halibut CDQ:</b>	
Halibut 4B	0
Halibut 4C	0
Halibut 4D	30
Halibut 4E	70
<b>Crab:</b>	
Opilio Tanner Crab	27
Bristol Bay Red King	27
Norton Sound Red King	-
Pribilof Red & Blue King	-
St. Matthew Blue King	27
Bering Sea C. Bairdi Tanner	27
<b>Prohibited Species:</b>	
Zone 1 Red King Crab	27
Zone 1 Bairdi Tanner Crab	27
Zone 2 Bairdi Tanner Crab	27
Opilio Tanner Crab	27
Pacific Halibut	27
Chinook Salmon	27
Non-Chinook Salmon	27

## A. NAME OF APPLICANT

Norton Sound Economic Development Corporation (NSEDG)

## B. TOTAL CDQ AND PSQ ALLOCATION REQUESTED

NSEDG is requesting groundfish and crab community development quota (CDQ) allocations under the expanded multi-species CDQ program for the Bering Sea and Aleutian Island subareas of the BSAI management area for the years 2003-2005. These CDQ allocations will allow NSEDG to conduct local fisheries in the region as well as operations in pot, longline and trawl fisheries using vessels owned by NSEDG and harvesting vessels under contract to NSEDG. The percentages of CDQ and PSQ allocations by target fishery are outlined below in Table 1. With the exception of halibut CDQ in area 4D and area

**Table 1: CDQ and PSQ Allocation Request for 2003-2005**

<b>Halibut</b>	Halibut 4D	40%
	Halibut 4E	25%
<b>Crab</b>	Bristol Bay Red King Crab	31%
	Norton Sound Red King Crab	100%
	Pribilof Red King Crab	0%
	St. Matthew Blue King Crab	31%
	C. Opilio	31%
	C. Bairdi	31%
<b>Pollock (BS, AI and Bogoslof)</b>		31%
<b>Pacific Cod (BS/AI)</b>		31%
<b>Sablefish</b>	Sablefish Fixed Gear (BS/AI)	31%
	Sablefish Trawl (BS/AI)	31%
<b>Atka Mackerel</b>	Atka Mackerel (Eastern AI)	31%
	Atka Mackerel (Central AI)	31%
	Atka Mackerel (Western AI)	31%
<b>Yellowfin Sole</b>		31%
<b>Rock Sole</b>		31%
<b>Greenland Turbot (BS/AI)</b>		31%
<b>Arrowtooth Flounder</b>		31%
<b>Flatfish</b>	Flathead Sole	31%
	Other Flatfish	31%
	Alaska Plaice	31%
<b>Pacific Ocean Perch Complex</b>	True POP (BS)	31%
	Other Red Rockfish (BS)	31%
<b>True POP (AI)</b>	True POP (Western AI)	31%
	True POP (Central AI)	31%
	True POP (Eastern AI)	31%
<b>Northern Rockfish (AI)</b>		31%
<b>Shortraker/Rougheye (AI)</b>		31%
<b>Other Rockfish (BS/AI)</b>		31%
<b>Other Species</b>		31%
<b>Prohibited Species Quota</b>	Halibut mortality (mt)	31%
	Opilio (no.)	31%
	Tanner Crab - Zone 1 (no.)	31%
	Tanner Crab - Zone 2 (no.)	31%
	Red King Crab (no.)	31%
	Chinook Salmon (no.)	31%
	Other Salmon (no.)	31%

4E, and crab CDQ in the Norton Sound red king crab fishery, the Pribilof Island red king crab fishery and the Aleutian Islands golden king crab fishery, NSEDC is requesting a thirty-one percent (31%) allocation for each of the CDQ species. This CDP, and NSEDC's past performance, provide assurance that the 31% allocation will be used well. NSEDC communities contain 31% of the population for all CDQ eligible communities. CDQ target fisheries are dependent upon adequate amounts of CDQ bycatch species in order to successfully prosecute them.

### **C. COMMUNITIES REPRESENTED**

NSEDC is submitting this application to the State of Alaska for multi-species community development quotas (CDQs) on behalf of fifteen member communities in the Bering Strait region of northwestern Alaska. These communities are:

<b>Brevig Mission</b>	<b>Diomedes</b>	<b>Elim</b>
<b>Gambell</b>	<b>Golovin</b>	<b>Koyuk</b>
<b>Nome</b>	<b>St. Michael</b>	<b>Savoonga</b>
<b>Shaktolik</b>	<b>Stebbins</b>	<b>Teller</b>
<b>Unalakleet</b>	<b>Wales</b>	<b>White Mountain</b>

Each community represented above is eligible to participate in the CDQ program both under federal rules as defined in 50 CFR 679.30 (d) (2) and under State of Alaska CDQ criteria. The Secretary of Commerce has determined that these villages meet the requirements of CDQ program eligibility.

### **D. MANAGING ORGANIZATION**

NSEDC will act as the managing organization for the multi-species CDQ program described in this CDP. NSEDC has already qualified as an applicant and managing organization for the pollock, halibut, sablefish and multi-species CDQ programs. NSEDC has been successfully managing these CDQ programs, associated development projects, and CDQ fishing since 1992. NSEDC has an excellent track record for managing CDQ fisheries and not over-harvesting allocations. Under the expanded CDQ program, NSEDC will continue to act as the managing organization in cooperation with Glacier Fish Company, Norton Sound Seafood Products, and our other harvesting and processing partners.

The primary contact person for NSEDC is Eugene Asicksik, President and Executive Director. The office responsible for administering the company is located in Anchorage. Other offices are located in Unalakleet and Nome. The Anchorage office serves as a central location for communications and contact with agencies from outside of the region, provides accounting and financial support, and manages CDQ fishing operations. The address of this office is as follows:

**Mr. Eugene Asicksik**  
**NSEDC Anchorage Administrative Office**  
**420 L Street, Suite 310**  
**Anchorage, Alaska 99501**  
**Phone (907) 274-2248 FAX (907) 274-2249**

- ✓ Village leaders (in addition to YDFDA Board members) from each community came together for a two-day work session on CDP projects. **We have a united vision and consensus support for all the projects listed in this CDP.**
- ✓ Efforts to extend economic benefits beyond the CDQ communities have continued as evidenced by the expanded scholarship program and the placement of ice machines in neighboring villages.
- ✓ YDFDA is filling the void left by the de-certification of the local ARDOR. YDFDA is taking the lead on providing ARDOR services to both CDQ and non-CDQ villages.

We are also asking for 7% increase in our halibut allocation. Since the last CDP, the line between halibut districts 4D and 4E has been made permeable. This means we can now fish 4D halibut in 4E waters adjacent to our region. Removal of this regulatory barrier should now allow our local fleet access to halibut. YDFDA intends to confirm this with test fishing this August. We intend to report on the results of this test fishery when we meet in August. We have reasons to believe the test fishery will show the presence of halibut in waters accessible by open skiff. If shoreside halibut stocks are abundant, more emphasis will be placed on transferring CDQ halibut into the local fisheries. **We are asking for YDFDA's halibut allocation to be restored to 27% to allow for the near shore local fishery.**

This year the F/V Lisa Marie pioneered pot fishing for sablefish in the Bering Sea. Taking sablefish with pots reduces bycatch and encounters with killer whales. In 2001, all CDQ groups harvested 25.6% of their Bering Sea CDQ sablefish. Through May 31, 2002, the F/V Lisa Marie has harvested 32 MT or 67% of our 2002 allocation. Because of our success with pot fishing, we intend to harvest up to the IFQ vessel cap. In recognition for pioneering a more environmentally friendly way of harvesting sablefish, YDFDA believes it should be rewarded with 5% more sablefish. Furthermore, all this sablefish will be harvested on a vessel 100% owned by YDFDA employing local residents.

The allocation request for Pacific cod remains the same. As evidenced by harvesting our entire AB quota by March 31, 2002, YDFDA is capable of harvesting all of the cod allocation it currently receives. With the additional investment in the Catcher Processor Baranof, the full 19% allocation is needed.

The last allocation request to address is Atka mackerel. The last allocation cycle reduced our allocation 2% and gave it to another CDQ group even though we used the same harvesting company. In our eyes, this appeared to be a penalty for cooperating with other CDQ groups. As you know, the margins are very slim on Atka mackerel and it only makes economic sense to use the same harvesting company. We would hope that the CDQ program would encourage, not discourage cooperation with other CDQ groups. It is in this context that we seek a 20% Atka mackerel allocation.

#### A. NAME OF APPLICANT

The **Yukon Delta Fisheries Development Association (YDFDA)** is an Alaskan not-for-profit community development corporation formed in 1992 for the express purpose of stabilizing and developing the economic base of the region known as the Yukon River Delta.

**B. TABLE OF TOTAL CDQ & PSQ ALLOCATION REQUEST IN PERCENTAGE**

<b>Species or Species Group</b>	<b>Allocation Request %</b>
Pollock	17%
Pacific Cod	19%
Sablefish FG BS	30%
Sablefish FG AI	20%
Sablefish Trawl BS	18%
Sablefish Trawl AI	24%
Atka Mackerel AI Western	20%
Atka Mackerel AI Central	20%
Atka Mackerel AI Eastern/BS	20%
Yellowfin Sole	27%
Rock Sole	20%
Greenland Turbot BS	21%
Greenland Turbot AI	18%
Arrowtooth Flounder	24%
Flathead Sole	20%
Other Flatfish	23%
Alaska Plaice	23%
True Pacific Ocean Perch BS	18%
WAI Pacific Ocean Perch	18%
CAI Pacific Ocean Perch	18%
EAI Pacific Ocean Perch	18%
Other Red Rockfish BS	19%
AI Northern Rockfish	18%
AI Shortraker/Rougheye	18%
BS Other Rockfish	22%
AI Other Rockfish	18%
Other Species	20%
<b>Prohibited Species</b>	
Zone 1 Red King Crab	26%
Zone 1 Bairdi Tanner Crab	26%
Zone 2 Bairdi Tanner Crab	23%
Opilio Tanner Crab	24%
Pacific Halibut	23%
Chinook Salmon	17%
Non-Chinook Salmon	17%
Halibut 4D	27%
Crab	
Bristol Bay Red	18%
Norton Sound King	50%
St Matthew Blue	12%
C. Opilio (BS)	17%
C. Bairdi (BS)	17%

**Appendix 7**  
**State and Federal CDQ Regulations**





## CHAPTER 093 WESTERN ALASKA COMMUNITY DEVELOPMENT QUOTA PROGRAM

### 6 AAC 93.010 PURPOSE OF REGULATIONS.

The purpose of this chapter is to implement the state's role in the Western Alaska Community Development Quota Program (CDQ Program) for the Bering Sea and Aleutian Islands Area under 50 C.F.R. 679.

History - Eff. 11/18/92, Register 124; am 4/10/93, Register 126; am 8/13/94, Register 131; am 1/1/98, Register 144; am 8/19/99, Register 151  
Authority - Ak. Const., art. III, sec. 1  
Ak. Const., art. III, sec. 24  
AS 44.33.020 (11)

### 6 AAC 93.012 REFERENCES TO FEDERAL LAW.

In this chapter, each reference to a provision of 50 C.F.R. 679 refers to that provision as revised as of June 9, 1999.

History - Eff. 8/19/99, Register 151  
Authority - Ak. Const., art. III, sec. 1  
Ak. Const., art. III, sec. 24  
AS 44.33.020 (11)

### 6 AAC 93.015 CDQ TEAM; RESPONSIBILITIES; LEAD STATE AGENCY.

(a) To carry out the state's role in the CDQ program under 50 C.F.R. 679, a CDQ team shall perform functions as directed in and under this chapter. The CDQ team consists of

- (1) the commissioner of the Department of Community and Economic Development, or one or more of the commissioner's representatives from that department, including one person to act as CDQ manager;

- (2) the commissioner of the Department of Fish and Game, or one or more of the commissioner's representatives from that department; and

- (3) one or more other state employees or state officials designated jointly by those commissioners, if additional members of the team would be beneficial.

(b) The Department of Community and Economic Development is the lead agency. CDQ program material submitted under this chapter shall be submitted to the lead agency.

(c) To fulfill the purpose of this chapter, including providing accountability to the CDQ program, the CDQ team shall

- (1) solicit submittals of community development plans (CDP) from eligible communities;

- (2) review and evaluate proposed CDPs;

- (3) make recommendations regarding CDQ allocations and changes to allocations;

- (4) review and make recommendations regarding amendments to approved CDPs;

- (5) monitor the performance of each CDQ group in achieving the group's milestones and objectives in its CDP;

- (6) seek to ensure consistency between the CDQ program standards in 6 AAC 93.017 and a CDQ group's activities that are subject to this chapter and 50 C.F.R. 679; and

- (7) based on reports and other information obtained under this chapter, prepare and submit to the governor, for the governor's review, approval, and necessary action, the state's annual progress report described in 50 C.F.R. 679.30(g) and (h).

(d) The governor will, in the governor's discretion, delegate in writing the responsibility for carrying out one or more duties of the governor under this chapter to the CDQ team.

History - Eff. 11/18/92, Register 124; am 4/10/93, Register 126; am 8/13/94, Register 131; am 1/1/98, Register 144; am 8/19/99, Register 151  
Authority - Ak. Const., art. III, sec. 1  
Ak. Const., art. III, sec. 24  
AS 44.33.020 (11)

Editor's Notes - The mailing address for submitting material under this chapter is: CDQ Team, Office of the Commissioner, Department of Community and Economic Development, P.O. Box 110803, Juneau, Alaska 99811-0803.

### 6 AAC 93.017 CDQ PROGRAM STANDARDS.

To carry out the state's role under 50 C.F.R. 679 and this chapter, the CDQ team shall apply the standards listed in (1) - (9) of this section, as applicable. The CDQ team shall determine whether

- (1) a CDP provides specific and measurable benefits to each community participating in the CDP;

- (2) as part of a CDP, a CDQ project provides benefits to individual residents of a participating community, to a single participating community, or to all participating communities;

- (3) a proposed CDP has the support of all participating communities;

- (4) each CDQ project listed in a CDP has the support of the applicant's or CDQ group's board of directors, reflected by official action of the board;

- (5) before initiating a proposed CDQ project, a CDQ group exercised a level of due diligence that reflects the value of the investment, the risk involved, and the type of project;

- (6) a reasonable likelihood exists that a for-profit CDQ project will earn a financial return to the CDQ group;

- (7) the CDQ group has minimized legal and financial risk;

- (8) the CDQ group has clearly demonstrated how a proposed CDQ project will further the goals and purpose of the CDQ program as stated in 50 C.F.R. 679.1(e); and

- (9) in areas of fisheries harvesting and processing, the CDQ group, to the greatest extent possible, has promoted conservation-based fisheries by taking actions that will minimize bycatch, provide for full retention and increased utilization of the fishery resource, and minimize impact to essential fish habitats.

History - Eff. 8/19/99, Register 151  
Authority - Ak. Const., art. III, sec. 1  
Ak. Const., art. III, sec. 24  
AS 44.33.020 (11)

### 6 AAC 93.020 CDQ APPLICATION PERIOD.

(a) Within a reasonable time before an application period is to begin, the CDQ team shall

- (1) establish the application period by scheduling a deadline for receipt of proposed CDPs from qualified applicants and by scheduling a projected time frame for

- (A) initial evaluation;

- (B) holding a public hearing to discuss all CDPs received; and

- (C) final review;

- (2) publish a notice that announces the CDQ application period, states the allocation cycle, and states the deadline for submitting a proposed CDP; the notice must be published in at least one newspaper of general circulation in Western Alaska and in at least one newspaper of general circulation in the state; and



(3) mail a copy of the notice to each eligible community.

(b) Except as provided in 6 AAC 93.075 (b), the deadline for submission of a proposed CDP set by (a)(1) of this section may not be less than 14 days after publication of the notice under (a) of this section.

(c) If, after publication of the notice under (a) of this section, the CDQ team determines that it is necessary to change the allocation cycle, the CDQ team shall notify all applicants and eligible communities and publish notice of the change.

History - Eff. 11/18/92, Register 124; am 4/10/93, Register 126; am 1/1/98, Register 144; am 8/19/99, Register 151

Authority - Ak. Const., art. III, sec. 1

Ak. Const., art. III, sec. 24

AS 44.33.020 (11)

#### **6 AAC 93.025 REQUIREMENTS FOR SUBMITTING A PROPOSED CDP.**

(a) To apply for an allocation under 50 C.F.R. 679, a qualified applicant must submit to the CDQ team, on or before the deadline set under 6 AAC 93.020, a complete proposed CDP that contains the information required by 50 C.F.R. 679.30(a), including

(1) a statement that the applicant is a qualified applicant as defined in 50 C.F.R. 679.2; this statement must be accompanied by a certificate of incorporation showing that the applicant is a nonprofit corporation formed under AS 10.20;

(2) a statement as to whether the applicant is also the managing organization for the proposed CDP;

(3) a statement that each community participating in the proposed CDP is an eligible community as defined in 50 C.F.R. 679.2;

(4) with the list of communities participating in the CDP required by 50 C.F.R. 679.30(a)(1)(iv),

(A) the population of each community;

(B) the economic conditions in each community; and

(C) evidence that the applicant has developed an effective outreach project to keep participating communities informed about the CDQ group's activities and to facilitate community input throughout the course of the CDP;

(5) for each member of the applicant's board of directors, a letter of support or election results from the board member's eligible community and a statement of support from the governing body of each community participating in the proposed CDP; the statement of support may be a copy of a resolution, letter, or other appropriate expression of support;

(6) for each species allocation, evidence, such as a contract with a business partner, that the applicant has not obligated, and does not intend to obligate, further allocations to a third party;

(7) for an applicant that is also a managing organization,

(A) evidence that the managing organization has a board of directors with a membership composed of at least 75 percent resident fishermen from the community or group of communities participating in the CDP, with at least one member from each community; and

(B) a statement of support from the governing body of each community that the organization represents; the statement of support may be a copy of a resolution, letter, or other appropriate expression of support;

(8) for a managing organization that will participate in a fishery on behalf of the applicant, but is not the applicant, a statement

of support from the governing body of each community that the organization represents; the statement of support may be a copy of a resolution, letter, or other appropriate expression of support;

(9) information regarding the particular benefits that an allocation under the CDP would generate for the Bering Sea and Aleutian Islands region; in addition, the applicant may provide information regarding any benefits to the state or the United States;

(10) the applicant's existing and foreseeable business relationships; to meet the requirement of this paragraph, the applicant shall

(A) provide copies of any contractual service arrangements dealing with legal, lobbying, audit, accounting, allocation management, investment research, fund management, and similar services;

(B) provide copies of profit sharing arrangements;

(C) provide copies of funding and financing plans; and

(D) describe each type of relationship, including joint ventures, loans, partnerships, corporations, and, if applicable, distribution of proceeds;

(11) a copy of the investment policies that the applicant will follow for

(A) for-profit CDQ projects;

(B) infrastructure CDQ projects;

(C) fund and cash management CDQ projects; and

(D) other applicable CDQ projects;

(12) as part of the detailed description of each CDQ project required by 50 C.F.R. 679.30(a)(1)(i), information that

(A) identifies the project as an active or proposed CDQ project;

(B) describes the project's normal scope of operations; and

(C) indicates whether an active project should be classified as a core or noncore CDQ project;

(13) a milestone table that sets out specific and measurable objectives for each CDQ project and dates for achieving each objective;

(14) budgets, including

(A) a general budget for the proposed CDP that identifies all allocation revenue, project revenue, and project expenditures for the entire period for the proposed CDP;

(B) an annual budget listing detailed expenses for each CDP project for the first year of the proposed CDP; and

(C) an annual comprehensive budget for the allowable administrative expenses, as previously determined by the CDQ team, specifically indicating the expenses that are chargeable to the managerial, general administrative, and policy phases of a CDQ group and the group's projects;

(15) a description of how the applicant plans to report financial and audit information to the CDQ team throughout the course of its CDP, in accordance with 6 AAC 93.050; and

(16) any additional information that the CDQ team finds is necessary to determine whether to recommend approval of the proposed CDP under 6 AAC 93.040(c).

(b) An eligible community may not

(1) submit more than one proposed CDP during a single CDQ application period; or

(2) participate in more than one CDP; this paragraph does not prevent an eligible community from participating in halibut allocations that are restricted by regulatory areas of the



International Pacific Halibut Commission and 50 C.F.R. 679.30.  
(c) Except for circumstances that the CDQ team finds were beyond the applicant's control, the CDQ team may not evaluate a proposed CDP received after the deadline set under 6 AAC 93.020.

History - Eff. 11/18/92, Register 124; am 4/10/93, Register 126; am 8/13/94, Register 131; am 1/1/98, Register 144; am 8/19/99, Register 151  
Authority - Ak. Const., art. III, sec. 1  
Ak. Const., art. III, sec. 24  
AS 44.33.020 (11)  
Editor's Notes - The mailing address for the CDQ team is set out in the editor's note at 6 AAC 93.015.

#### **6 AAC 93.030 INITIAL EVALUATION OF PROPOSED CDPs.**

(a) The CDQ team shall perform an initial evaluation of a proposed CDP submitted under 6 AAC 93.025 to determine whether the CDP is complete. Within 15 days after a proposed CDP is received, the CDQ team shall notify the CDP applicant of any information needed to make the CDP complete. The applicant must submit the needed information within 10 days after being notified by the CDQ team. If, after the initial evaluation period, the CDQ team finds that additional information is needed for completeness, the applicant will have 10 days after notification to provide the information.  
(b) After the initial CDP evaluation, the CDQ team shall schedule a public hearing under 6 AAC 93.035 as required by 50 C.F.R. 679.30(b).

History - Eff. 11/18/92, Register 124; am 4/10/93, Register 126; am 8/13/94, Register 131; am 1/1/98, Register 144; am 8/19/99, Register 151  
Authority - Ak. Const., art. III, sec. 1  
Ak. Const., art. III, sec. 24  
AS 44.33.020 (11)

#### **6 AAC 93.035 PUBLIC HEARING.**

(a) The CDQ team shall schedule at least one public hearing on all pending complete proposed CDPs, providing for a teleconference site in each geographical area that is subject to a proposed CDP.  
(b) The CDQ team shall provide notice of the date and location of a public hearing  
(1) to each applicant whose proposed CDP is the subject of the hearing;  
(2) through newspaper publication; in addition, notice may be provided through other media; and  
(3) to any other person the CDQ team believes will be interested in a pending CDP.  
(c) A public hearing under this section must be recorded and transcribed. The transcript of the public hearing will be made available to the public, upon request, at the same time that the transcript is submitted under 6 AAC 93.045  
(d) Repealed 8/19/99.

History - Eff. 11/18/92, Register 124; am 4/10/93, Register 126; am 8/13/94, Register 131; am 1/1/98, Register 144; am 8/19/99, Register 151  
Authority - Ak. Const., art. III, sec. 1  
Ak. Const., art. III, sec. 24  
AS 44.33.020 (11)

#### **6 AAC 93.040 FINAL EVALUATION OF PROPOSED CDPs [COMPLETE CDP APPLICATIONS]**

(a) After the public hearing under 6 AAC 93.035, the CDQ team shall evaluate all complete proposed CDPs to determine whether the CDPs are consistent with the standards in 6 AAC

93.017 and meet the applicable requirements of this chapter and 50 C.F.R. 679.

(b) The CDQ team shall consider the following factors when reviewing a complete proposed CDP:

- (1) the number of participating eligible communities and
    - (A) the population of each community; and
    - (B) the economic conditions in each community;
  - (2) the size of the allocation requested by the applicant and the proper allocation necessary to achieve the milestones and objectives as stated in the proposed CDP;
  - (3) the degree, if any, to which each CDQ project is expected to develop a self-sustaining local fisheries economy, and the proposed schedule for transition from reliance on an allocation to economic self-sufficiency;
  - (4) the degree, if any, to which each CDQ project is expected to generate
    - (A) capital or equity in the local fisheries economy or infrastructure; or
    - (B) investment in commercial fishing or fish processing operations;
  - (5) the applicant's contractual relationship, if any, with joint venture partners and the managing organization;
  - (6) the applicant's and the applicant's harvesting and processing partners', if any, involvement and diversity in all facets of harvesting and processing;
  - (7) the coordination or cooperation with other applicants or CDQ groups on CDQ projects;
  - (8) the experience of the applicant's industry partners, if any;
  - (9) the applicant's CDQ projects for employment, education, and training that provide career track opportunities;
  - (10) the benefits, if any, to the state's economy or to the economy of communities that are not eligible to participate in the CDQ program that are in addition to the benefits generated by the proposed CDP for participating communities;
  - (11) a demonstration, through the information submitted under 6 AAC 93.025(a)(11), that the applicant has a formal, effective administrative process that sets out sound business principles and examples of due diligence that the applicant will exercise;
  - (12) the development, if any, of innovative products and processing techniques as well as innovation in harvesting gear for conservation and maximum utilization of the fishery resource;
  - (13) the applicant's ability to maintain control over each of its allocations;
  - (14) the capital or equity generated by the applicant's CDQ projects for fisheries-related business investment;
  - (15) the past performance of the applicant and the applicant's industry partners, as appropriate;
  - (16) the applicant's transition plan, including the objectives set out in the milestone table submitted under 6 AAC 93.025
- (a)(13);
- (17) for each CDQ project, the inclusion in the proposed CDP of realistic measurable milestones for determining progress;
- (18) the degree of participating community input in developing the proposed CDP;
- (19) the likely effectiveness of the outreach project described in 6 AAC 93.025(4)(C); and
- (20) comments provided by other agencies, organizations, and the public.



(c) After evaluation under this section, the CDQ team shall transmit to the governor for the governor's review and necessary action each proposed CDP and the CDQ team's evaluation and recommendation regarding each CDP. The governor will then make a written finding that a proposed CDP either

(1) meets the requirements of this chapter and 50 C.F.R. 679 and will be recommended to the National Marine Fisheries Service (NMFS) for approval for an allocation in the amount requested by the applicant;

(2) meets the requirements of this chapter and 50 C.F.R. 679 and will be recommended to the NMFS for approval with a reduced allocation from the amount initially requested by the applicant; or

(3) does not meet the requirements of this chapter and 50 C.F.R. 679 and will not be recommended to the NMFS for approval.

(d) If there is a sufficient quota of fishery resource available to meet the combined total allocations requested in all of the complete proposed CDPs that meet the requirements of this chapter and 50 C.F.R. 679, the governor will, in the governor's discretion, recommend all of those CDPs to the NMFS for approval.

(e) If there is an insufficient quota of fishery resource available to meet the combined total allocations requested in all of the complete proposed CDPs that meet the requirements of this chapter and 50 C.F.R. 679, the governor will, in the governor's discretion and after consultation by the CDQ team under (f) of this section,

(1) apportion the available quota among the applicants whose CDPs will be recommended for approval and will recommend the apportionment to the NMFS for approval; or

(2) select those complete proposed CDPs that the governor believes best satisfy the objectives, requirements, and criteria of the CDQ program and will recommend those CDPs to the NMFS for approval; a recommendation under this paragraph may also include a recommendation for an apportionment under (1) of this subsection.

(f) Before the CDQ team recommends an apportionment of the quota under (e) of this section, it shall consult with the applicants that might be affected by the proposed apportionment. The CDQ team may request an applicant to submit a revised CDP to assist the CDQ team in determining the

(1) economic feasibility and likelihood of success of the proposed CDP with an allocation of fishery resource less than that requested; and

(2) particular benefits that may be derived by participating communities affected by an allocation of fishery resource less than that requested.

(g) In apportioning the quota of fishery resource under (e) of this section, the governor will consider the information specified in this chapter and 50 C.F.R. 679 and seek to maximize the benefits of the CDQ program to the greatest number of participating communities.

(h) Before forwarding recommendations to the NMFS under 6 AAC 93.045, the governor will, or, at the governor's direction, the CDQ team shall, consult with the North Pacific Fishery Management Council regarding the proposed CDPs to be recommended by the governor for allocations and incorporate

any comments from the council into the written findings required under (c) of this section and 50 C.F.R. 679.30(d).

History - Eff. 11/18/92, Register 124; am 4/10/93, Register 126; am 8/13/94, Register 131; am 1/1/98, Register 144; am 8/19/99, Register 151  
Authority - Ak. Const., art. III, sec. 1  
Ak. Const., art. III, sec. 24  
AS 44.33.020 (11)

#### **6 AAC 93.045 RECOMMENDATIONS TO THE NMFS REGARDING PROPOSED CDPs.**

After making written findings under 6 AAC 93.040 regarding the complete proposed CDPs, the governor will

(1) forward the proposed CDPs to the NMFS with written findings, rationale, and recommendations for approval of proposed CDPs and CDQ allocations; and

(2) notify in writing each CDP applicant as to whether the applicant's proposed CDP was recommended to the NMFS for approval, including whether any reduction of allocation was recommended under 6 AAC 93.040.

History - Eff. 11/18/92, Register 124; am 4/10/93, Register 126; am 1/1/98, Register 144; am 8/19/99, Register 151  
Authority - Ak. Const., art. III, sec. 1  
Ak. Const., art. III, sec. 24  
AS 44.33.020 (11)

#### **6 AAC 93.050 QUARTERLY AND ANNUAL REPORTS.**

(a) In order for the CDQ team to monitor a CDP as required under 50 C.F.R. 679.30, a CDQ group shall submit to the CDQ team a quarterly report for each calendar quarter in which that group's CDP is in effect, and an annual report as described in (d) of this section. Each quarterly report must be submitted by the deadline stated in (b) of this section and must contain the information required by (c) of this section.

(b) A CDQ group shall submit a quarterly report to the CDQ team, to be received or postmarked on or before

(1) April 30 for a CDP in effect during the preceding January, February, or March;

(2) July 30 for a CDP in effect during the preceding April, May, or June;

(3) October 30 for a CDP in effect during the preceding July, August, or September; and

(4) January 30 for a CDP in effect during the preceding October, November, or December.

(c) A quarterly report submitted under this section must include

(1) information describing how, during the period covered by the report, the CDP group has met the milestones and objectives of the CDP as set out in the CDP;

(2) a year-to-date report of all CDQ harvesting and processing activities of the CDQ group;

(3) comprehensive financial statements if required by the CDQ team; a statement required under this paragraph must include, as applicable,

(A) a consolidated balance sheet;

(B) a consolidated income statement that clearly identifies, by CDQ project, revenue and expenditures;

(C) a cash flow statement; and

(D) financial statements for the CDQ group's subsidiaries;

(4) complete year-to-date data regarding training, education, and employment under the CDP, provided in a format specified by the CDQ team;

(5) minutes for any CDQ group board or directors meetings



that were held during the quarter; and

(6) any other information that the CDQ team determines is necessary to carry out the state's role in the administration of the CDQ program; if the CDQ team requires additional information under this paragraph, the CDQ team shall notify the CDQ group in writing at least 15 days before the report is due.

(d) The quarterly reports submitted under this section for a calendar year are subject to an independent audit performed by a reputable accounting firm. The CDQ group's selection of an accounting firm is subject to the CDQ team approval. The independent audit constitutes a CDQ group's annual report and must be submitted by the CDQ group to the CDQ team, to be received or postmarked no later than May 31 of the year following the calendar year covered by the audit. The audit must include

(1) a report that indicates whether the CDQ group is meeting the milestones and objectives of the CDP as set out in its CDP; the CDP group shall meet with an auditor to develop agreed-upon procedures for the content of this report;

(2) consolidated financial statements, reported according to generally accepted accounting principles and, if determined necessary by the CDQ team, supplemental schedules reporting the financial position and results of operations for each of the CDQ group's consolidated for-profit subsidiaries classified in the CDP as a core CDQ project;

(3) a note to the financial statements in which the auditor details how financial results were determined and any other relevant information;

(4) a supplemental schedule detailing the CDQ group's general and administrative expenses;

(5) except for fund and cash management CDQ projects, a budget reconciliation between all CDQ projects and administrative budgets, and actual expenditures;

(6) a management report or letter; and

(7) any other information that the CDQ team determines is necessary to carry out the state's role in the administration of the CDQ program; if the CDQ team requires additional information under this paragraph, the CDQ team shall notify the CDQ group in writing at least 15 days before the group's annual report is due.

(e) In this section, "postmarked" means the

(1) United States Postal Service postmark;

(2) the date of placement with a courier-type delivery service as evidenced on the shipping documents;

(3) the date the document is delivered to the CDQ team by facsimile; or

(4) the date the document is delivered to the CDQ team by electronic mail.

History - Effic. 11/18/92, Register 124; am 4/10/93, Register 126; am 8/13/94, Register 131; am 1/1/98, Register 144; am 8/19/99, Register 151

Authority - Ak. Const., art. III, sec. 1

Ak. Const., art. III, sec. 24

AS 44.33.020 (11)

Editor's Notes - The mailing address for the CDQ team is set out in the editor's note at 6 AAC 93.015.

## 6 AAC 93.055 AMENDMENTS TO AN APPROVED CDP.

(a) General requirements. A CDP is a working business plan that must be kept current. A CDQ group that seeks to amend a CDP under this section and 50 C.F.R. 679.30 shall submit to the CDQ

team a written request for approval of the amendment under the appropriate process described in this section. A CDQ group may not engage in an activity that requires an amendment to the group's CDP until the amendment is recommended for approval by the state and approved by the NMFS.

(b) Submittal requirements. When submitting a proposed CDP amendment under (c) or (d) of this section, in addition to the information that is required to be submitted under 50 C.F.R. 679.30(g)(4) or (5), the CDQ group shall describe how the amendment

(1) is consistent with the standards in 6 AAC 93.017, the group's investment policies submitted under 6 AAC

93.25(a)(11), and the requirements of 50 C.F.R. 679; and

(2) will affect the CDQ group's ability to meet the milestones and objectives in its CDP.

(c) Substantial amendments. A substantial amendment to a CDP is subject to (f) and (h) of this section and 50 C.F.R.

679.30(g)(4). A substantial amendment requires the commissioner to make a recommendation for approval or disapproval before the proposed amendment can be forwarded to the NMFS under 50 C.F.R. 679.30(g)(4). A substantial amendment is required if a CDQ group intends to

(1) make a change described in 50 C.F.R. 679.30(g)(4)(iv);

(2) pursue a proposed CDQ project that will be classified in the amended CDP as a core CDQ project;

(3) add a new proposed CDQ project;

(4) make a substantial variation in the normal scope of operations for an active core CDQ project described under 6 AAC 93.025 (a)(12)(B); or

(5) engage in a CDQ activity that would result in an active noncore CDQ project being classified as a core CDQ project under 6 AAC 93.057.

(d) Technical amendments for noncore projects. A technical amendment under this subsection is subject to 50 C.F.R.

679.30(g)(5). If a CDQ group intends to pursue an activity described in this subsection, the group shall send a letter of notification to the CDQ manager, describing the activity and seeking a technical amendment to the CDP. With the letter of notification, the CDQ group shall include the information required by (b) of this section. An activity under this subsection is subject to (g) and (i) of this section and requires the CDQ manager to make a recommendation for approval or disapproval before the proposed amendment can be forwarded to the NMFS under 50 C.F.R. 679.30(g)(5). Subject to (g)(2) of this section, the CDQ manager will make a decision under this subsection within 10 days after a letter of notification is received. Notification under this subsection is required when a CDQ group intends to

(1) pursue a proposed noncore CDQ project that is clearly identified in the CDP text and budget, if the CDQ team advises the CDQ group that notification under this section is required; or

(2) make a substantial variation in the normal scope of operations of an active noncore CDQ project, if the variation will impact the CDQ project performance measures described in the milestone table submitted under 6 AAC 93.025 (a)(13);

(e) Other technical amendments. A technical amendment to a CDP is subject to 50 C.F.R. 679.30(g)(5). A technical



amendment requires the CDQ manager to review the materials submitted by the CDQ group and make a recommendation for approval or disapproval before the proposed amendment can be forwarded to the NMFS under 50 C.F.R. 679.30(g)(5). A technical amendment to the CDP under this subsection is required when a CDQ group intends to

(1) make a change in its board of directors or key administrative staff;

(2) make a change in a contract dealing with a business relationship described under 6 AAC 93.025 (a)(10)(A);

(3) add a harvesting or processing contract that is substantially similar to an existing contract in the group's approved CDP; the CDQ group shall provide a copy of the contract; or

(4) make any other change that the CDQ team determines is technical in nature.

(f) Review process for substantial amendments. The CDQ team shall use the following process in its review for a substantial amendment proposed under (c) of this section:

(1) the CDQ team shall determine within 30 days whether the amendment

(A) is consistent with the standards, policies, and requirements discussed under (b)(1) of this section; or

(B) will reduce the CDQ group's ability to meet the milestones and objectives in its CDP;

(2) if the CDQ team finds an amendment to be inconsistent under (1)(A) of this subsection or will reduce the CDQ group's ability to meet the milestones and objectives in its CDP,

(A) the CDQ team shall notify the CDQ group; the group will have 10 days to respond with more information;

(B) within 10 days after the CDQ group's response is received, the CDQ team shall repeat the review under (1) of this subsection; and

(3) the CDQ team shall repeat the process described in (2) of this subsection until the CDQ team recommends approval of the amendment or makes a determination under (h) of this section.

(g) Review process for technical amendments for noncore projects. The CDQ manager shall use the following process in the review of a technical amendment for a noncore project proposed under (d) of this section.

(1) the CDQ manager shall determine within 10 days whether the amendment

(A) is consistent with the standards, policies, and requirements discussed under (b)(1) of this section; or

(B) will reduce the CDQ group's ability to meet the milestones and objectives in its CDP;

(2) if the CDQ manager finds that an amendment is inconsistent under (1)(A) of this subsection or will reduce the CDQ group's ability to meet the milestones and objectives in its CDP,

(A) the CDQ manager shall notify the CDQ group; the group will have five days to respond with more information;

(B) within 10 days after the CDQ group's response is received, the CDQ manager shall repeat the review under (1) of this subsection; and

(3) the CDQ manager shall repeat the process described in (2) of this subsection until the CDQ manager recommends approval of the amendment or makes a determination under (i) of this section.

(h) Recommendation for disapproval of a substantial

amendment. If the CDQ team finds that a substantial amendment proposed under (c) of this section is inconsistent with the standards, policies, or requirements referred to in (b) of this section, or that the amendment will reduce the CDQ group's ability to successfully meet the milestones and objectives in its CDP, the CDQ team shall recommend that the commissioner forward the amendment to the NMFS with a recommendation for disapproval. If the commissioner decides to recommend disapproval under this subsection, the commissioner will notify the CDQ group, advising the group that it may request reconsideration under 6 AAC 93.090.

(i) Recommendation for disapproval of a technical amendment for a noncore project. If the CDQ manager finds that a technical amendment for a noncore project proposed under (d) of this section is inconsistent with the investment policies or federal requirements referred to in (b) of this section, or that the amendment will reduce the CDQ group's ability to successfully meet the milestones and objectives in its CDP, the CDQ manager shall recommend disapproval of the amendment. If the CDQ manager finds that the amendment is inconsistent with the standards in 6 AAC 93.017, the CDQ manager may recommend disapproval of the amendment. The CDQ group may request reconsideration of the CDQ manager's decision under 6 AAC 93.090.

History - Eff. 11/18/92, Register 124; am 4/10/93, Register 126; am 8/13/94, Register 131; am 1/1/98, Register 144; am 8/19/99, Register 151

Authority - Ak. Const., art. III, sec. 1

Ak. Const., art. III, sec. 24

AS 44.33.020 (11)

Editor's Notes - The mailing address for the CDQ team is set out in the editor's note at 6 AAC 93.015.

## **6 AAC 93.057 RECLASSIFICATION OF CORE AND NONCORE PROJECTS.**

(a) If the annual progress report prepared by the CDQ team under 6 AAC 93.015 will address a CDQ project classified in the CDP as a noncore CDQ project that has been found by the CDQ team to meet the criteria for a core CDQ project in 6 AAC 93.900, the CDQ team may reclassify a noncore CDQ project as a core CDQ project in that report and shall request the CDQ group to seek a substantial amendment to its CDP under 6 AAC 93.055 (c). For the purposes of this subsection, the criteria in the definition of "core CDQ project" at 6 AAC 93.900 (13)(C)(i) may not be considered.

(b) If a CDQ group believes that a project classified in the group's CDP as a core CDQ project should instead be classified as a noncore CDQ project, the CDQ group may petition the CDQ team to reclassify the project. A CDQ group may submit a petition under this subsection only between June 15 and August 15.

(c) The CDQ team shall consider the following factors in its review of a petition submitted under (b) of this section:

(1) the maturity of the business cycle, the stability of management, and the profitability of the project;

(2) the success of the project in meeting the milestones and objectives in the CDP;

(3) whether the majority of activities of the project are occurring in, or in proximity to, an eligible CDQ community; and

(4) the overall impact the project has on the success of the CDQ group's CDP.



(d) If the CDQ team approves a petition submitted under (b) of this section, the petition will be treated as a technical amendment that is recommended for approval by the NMFS under 50 C.F.R. 679.30(g)(5).

History - Eff. 8/19/99, Register 151  
Authority - Ak. Const., art. III, sec. 1  
Ak. Const., art. III, sec. 24  
AS 44.33.020 (11)

Editor's Notes - The mailing address for the CDQ team is set out in the editor's note at [6 AAC 93.015](#).

#### **6 AAC 93.060 SUSPENSION OR TERMINATION OF A CDP; DECREASE IN ALLOCATION.**

(a) The governor will, in the governor's discretion, recommend to the NMFS in writing that a CDP be partially suspended, or terminated or that allocations under CDP be decreased if, as part of the annual progress report prepared under [6 AAC 93.015](#) or in response to an allegation under (c) of this section, the CDQ team notifies the governor that the CDQ team has determined that a CDQ group

(1) has failed to comply with

(A) this chapter; or

(B) 50 C.F.R. 679;

(2) has failed to met its milestones or objectives; or

(3) appears unlikely to meet its milestones or objectives.

(b) Nothing in (a) of this section precludes the governor from including a recommendation for a decreased allocation with a recommendation for a partial suspension.

(c) If, at any time during the course of a CDP, the CDQ team is advised that a CDQ group has failed to comply with 50 C.F.R. 679 or with this chapter, the CDQ Team will send a written notice of the allegation to the CDQ group at the address on file at the department for the group. The CDQ group may, within 10 days after receipt of the notice, submit to the CDQ team a written response to the allegation. The CDQ team shall consider the CDQ group's written response, if any, in deciding whether to make a recommendation to the governor under (a) or (b) of this section. If the CDQ team decides to make a recommendation under (a) or (b) of this section, the CDQ team shall include the CDQ group's written response, if any, with the recommendation transmitted to the governor.

(d) Before sending the governor's recommendation under (a) or (b) of this section to the NMFS, the CDQ team shall inform the CDQ group of the governor's decision. The CDQ group may request reconsideration of the governor's decision under [6 AAC 93.090](#).

History - Eff. 11/18/92, Register 124; am 4/10/93, Register 126; am 8/13/94, Register 131; am 1/1/98, Register 144; am 8/19/99, Register 151  
Authority - Ak. Const., art. III, sec. 1  
Ak. Const., art. III, sec. 24  
AS 44.33.020 (11)

#### **6 AAC 93.070 CONFIDENTIAL RECORDS.**

(a) Except as provided in (b) and (c) of this section, records submitted under this chapter by an applicant or a CDQ group that are in the possession of the governor or the CDQ team are subject to AS 09.25.110 - 09.25.120 and are open to inspection by the public during regular office hours.

(b) A participating community, applicant, CDQ group, or managing organization wishing to protect a record that was provided to the state under this chapter may file with the governor or CDQ team a written petition identifying the record

to be protected and showing good cause to classify the record as confidential. If, at the time of submission, a participating community, applicant, CDQ group, or managing organization wishes to protect a record being submitted under this chapter, the community, applicant, group, or organization shall mark the record as "confidential" and show good cause to classify the record as confidential.

(c) Good cause to classify a record as confidential under this section includes a showing that

(1) disclosure of the record to the public might competitively or financially disadvantage or harm the participating community, applicant, CDQ group, or managing organization with the confidentiality interest, or might reveal a trade secret or proprietary business interest; and

(2) the need for confidentiality outweighs the public interest in disclosure.

(d) If the governor or CDQ team determines that good cause exists under (c) of this section, the governor or CDQ team will, in writing, classify the records as "confidential" and restrict access to them.

(e) Except as provided in Alaska Rules of Court, a record classified as confidential under this section will not be made public or furnished to any person other than the United States Secretary of Commerce, the North Pacific Fishery Management Council, the Alaska Region of the National Marine Fisheries Service, the governor, the CDQ team and staff, or other authorized representatives of the governor.

History - Eff. 11/18/92, Register 124; am 4/10/93, Register 126; am 1/1/98, Register 144; am 8/19/99, Register 151  
Authority - Ak. Const., art. III, sec. 1  
Ak. Const., art. III, sec. 24  
AS 44.33.020 (11)

Editor's Notes - The mailing address for the CDQ team is set out in the editor's note at [6 AAC 93.015](#).

#### **6 AAC 93.075 GENERAL PROVISIONS.**

(a) The governor will, in the governor's discretion, consider other factors not identified in this chapter if those factors are relevant to the decision or recommendation in question.

(b) The governor will, in the governor's discretion, relax or reduce the notice requirements of [6 AAC 93.020](#) - [6 AAC 93.040](#) if the governor determines that a shortened or less expensive method of public notice is reasonably designed to reach all interested persons.

History - Eff. 11/18/92, Register 124; am 4/10/93, Register 126  
Authority - Art. III, Sec. 1, Ak. Const.  
Art. III, Sec. 24, Ak. Const.

#### **6 AAC 93.080 REPORTING OF CDQ PROGRAM FISHERY HARVEST.**

A buyer of fish that, under [AS 16.05.690](#) and [5 AAC 39.130](#), is required to record and report a purchase of fish shall also record and report the buyer's purchases of fishery resources that are harvested through a CDQ program. This shall be done in the manner required by [AS 16.05.690](#) and [5 AAC 39.130](#) and other regulations adopted under that statute.

History - Eff. 1/1/98, Register 144  
Authority - Ak. Const., art. III, sec. 1  
Ak. Const., art. III, sec. 24





#### 6 AAC 93.090 RECONSIDERATION PROCESS.

(a) A CDQ group may submit to the CDQ team a request for reconsideration of a decision under 6 AAC 93.055 or a decision under 6 AAC 93.060. Subject to (e) of this section, the request for reconsideration must be submitted within 20 days after the CDQ group receives notice of the decision. For a decision to be reconsidered, the request for reconsideration must include additional information that was not provided for consideration in the initial decision.

(b) For reconsideration of a decision under

(1) 6 AAC 93.055 (h), the CDQ team shall review the additional information submitted with the request for reconsideration and make a recommendation to the commissioner regarding a reconsideration decision;

(2) 6 AAC 93.055 (i), the CDQ manager shall review the additional information submitted with the request for reconsideration and make a reconsideration decision; or

(3) 6 AAC 93.060, the CDQ team shall review the additional information submitted with the request for reconsideration and make a recommendation to the governor regarding a reconsideration decision.

(c) Within 20 days after a request for reconsideration is received, notification to the CDQ group of the reconsideration decision will be made by

(1) the commissioner, for a decision under 6 AAC 93.055 (h);

(2) the CDQ manager, for a decision under 6 AAC 93.055 (i); or

(3) the governor, for a decision under 6 AAC 93.060.

(d) Findings regarding a reconsideration decision will be submitted to the NMFS along with the final recommendation regarding the amendment, suspension, termination, or decrease in allocation. The CDQ team shall shorten the time within which a request for reconsideration may be submitted under (a) of this section if the CDQ team determines that a participating community will be competitively or financially harmed by a delay in issuing the decision.

History - Eff. 8/19/99, Register 151

Authority - Ak. Const., art. III, sec. 1

Ak. Const., art. III, sec. 24

AS 44.33.020 (11)

Editor's Notes - The mailing address for the CDQ team is set out in the editor's note at 6 AAC 93.015.

#### 6 AAC 93.900 DEFINITIONS.

In this chapter

(1) "active CDQ project" means a CDQ project that was initiated under an approved CDP or through the amendment process in 6 AAC 93.055, and that continues its status as a CDQ project;

(2) "allocation" includes a CDQ allocation and a PSQ allocation under 50 C.F.R. 679;

(3) "allocation cycle" means the time of duration of a CDP as designated at the onset of the CDQ application period;

(4) "application period" means the time between the date of publication of the notice under 6 AAC 93.020 (a) and the forwarding of the final CDP recommendation to the NMFS;

(5) "CDP" means community development plan;

(6) "CDQ" means community development quota;

(7) "CDQ activity" means an activity pursued by the CDQ group that is paid for, directly or indirectly, through CDQ assets;

(8) "CDQ asset" means property of a CDQ group;

(9) "CDQ liability" means a debt of a CDQ group;

(10) "CDQ manager" means the department employee designated by the commissioner;

(11) "CDQ team" means the state officials designated in or under 6 AAC 93.015;

(12) "commissioner" means the commissioner of the department;

(13) "core CDQ project" means a CDQ project that (A) has a collective ownership by the applicant or CDQ group that is in excess of 49 percent;

(B) has a level of involvement by the applicant or CDQ group that demonstrates effective managing control, as determined by the CDQ team; or

(C) meets at least two of the following criteria:

(i) the applicant's or CDQ group's equity interest in the CDQ project constitutes at least 25 percent of the applicant's or group's assets;

(ii) the CDQ project has total indebtedness that the applicant or CDQ group is directly liable for in excess of 25 percent of the applicant's or group's assets;

(iii) the CDQ project has total indebtedness that the applicant or CDQ group is directly liable for in excess of 25 percent of the applicant's or group's assets;

(iii) the CDQ project has been determined by the annual progress report prepared under 6 AAC 93.015 to not meet the milestones and objectives in the CDP for three consecutive years;

(iv) the CDQ project receives funding from the applicant or CDQ group in a calendar year;

(14) "department" means the Department of Community and Economic Development;

(15) "fisheries-related" means to have a direct or indirect link to the commercial fisheries industry;

(16) "for-profit CDQ project" means a CDQ project with a central activity that involves an ongoing exchange of goods or services for compensation between two or more parties;

(17) "governing body" means a city council, traditional council, or Indian Reorganization Act (IRA) Council;

(18) "NMFS" means the federal National Marine Fisheries Service;

(19) "noncore CDQ project" means a CDQ project that is not a core CDQ project;

(20) "proposed CDQ project" means a CDQ project that is yet to be initiated;

(21) "substantial variation" means a significant change in the normal scope of operations of an active CDQ project as stated in the CDP; a "substantial variation" includes a change that could result in a determination of inconsistency with the standards in 6 AAC 93.017 and a change that could affect a CDQ group's ability to meet the milestones and objectives in the CDP.

History - Eff. 11/18/92, Register 124; am 4/10/93, Register 126; am 8/13/94, Register 131; am 1/1/98, Register 144; am 8/19/99, Register 151

Authority - Ak. Const., art. III, sec. 1

Ak. Const., art. III, sec. 24

AS 44.33.020 (11)

Editor's Notes - Definitions of other terms under in 6 AAC 93 are found at 50 C.F.R. 679.2.



## Subpart C--Western Alaska Community Development Quota Program

### § 679.30 General CDQ regulations.

#### (a) Application procedure.

The CDQ program is a voluntary program. Allocations of CDQ and PSQ are made to CDQ groups and not to vessels or processors fishing under contract with any CDQ group. Any vessel or processor harvesting or processing CDQ or PSQ under a CDP must comply with all other requirements of this part. In addition, the CDQ group is responsible to ensure that vessels and processors listed as eligible on the CDQ group's approved CDP comply with all requirements of this part while harvesting or processing CDQ species. Allocations of CDQ and PSQ are harvest privileges that expire upon the expiration of the CDP. When a CDP expires, further CDQ allocations are not implied or guaranteed, and a qualified applicant must re-apply for further allocations on a competitive basis with other qualified applicants. The CDQ allocations provide the means for CDQ groups to complete their CDQ projects. A qualified applicant may apply for CDQ and PSQ allocations by submitting a proposed CDP to the State during the CDQ application period that is announced by the State. A proposed CDP must include the following information:

#### (1) Community development information.

Community development information includes:

(i) Project description. A detailed description of all proposed CDQ projects, including the short- and long-term benefits to the qualified applicant from the proposed CDQ projects. CDQ projects should not be designed with the expectation of CDQ allocations beyond those requested in the proposed CDP.

(ii) Project schedule. A schedule for the completion of each CDQ project with measurable milestones for determining the progress of each CDQ project.

(iii) Employment. The number of individuals to be employed through the CDP projects, and a description of the nature of the work and the career advancement potential for each type of work.

(iv) Community eligibility. A list of the participating communities. Each participating community must be listed in Table 7 to this part or meet the criteria for an eligible community under § 679.2.

(v) Community support. A demonstration of each participating community's support for the qualified applicant and the managing organization through an official letter approved by the governing body of each such community.

#### (2) Managing organization information.

A proposed CDP must include the following information about the managing organization:

(i) Structure and personnel. A description of the management structure and key personnel of the managing organization, such as resumes and references, including the name, address, fax number, and telephone number of the qualified applicant's CDQ representative.

(ii) Management qualifications. A description of how the managing organization is qualified to carry out the CDP projects in the proposed CDP, and a demonstration that the managing organization has the management, technical expertise, and ability to manage CDQ allocations and prevent exceeding a CDQ or PSQ.

(iii) Legal relationship. Documentation of the legal relationship between the qualified applicant and the managing organization (if the managing organization is different from the qualified applicant) clearly describing the responsibilities and obligations of each party as demonstrated through a contract or other legally binding agreement.

(iv) Board of directors. The name, address, and telephone number of each member of the board of directors of the qualified applicant. If a qualified applicant represents more than one community, the board of directors of the qualified applicant must include at least one member from each of the communities represented.

#### (3) Business information.

A proposed CDP must include the following business information:

(i) Business relationships. A description of all business relationships between the qualified applicant and all individuals who have a financial interest in a CDQ project or subsidiary venture, including, but not limited to, any arrangements for management and audit control and any joint venture arrangements, loans, or other partnership arrangements, including the distribution of proceeds among the parties.

(ii) Profit sharing. A description of all profit sharing arrangements.

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(iii) Funding. A description of all funding and financing plans.

(iv) General budget for implementing the CDP. A general account of estimated income and expenditures for each CDQ project for the total number of calendar years that the CDP is in effect.

(v) Financial statement for the qualified applicant. The most recent audited income statement, balance sheet, cash flow statement, management letter, and agreed upon procedures report.

(vi) Organizational chart. A visual representation of the qualified applicant's entire organizational structure, including all divisions, subsidiaries, joint ventures, and partnerships. This chart must include the type of legal entity for all divisions, subsidiaries, joint ventures, and partnerships; state of registration of the legal entity; and percentage owned by the qualified applicant.

(4) Request for CDQ and PSQ allocations.

A list of the percentage of each CDQ reserve and PSQ reserve, as described at § 679.31 that is being requested. The request for allocations of CDQ and PSQ must identify percentage allocations requested for CDQ fisheries identified by the primary target species of the fishery as defined by the qualified applicant and the gear types of the vessels that will be used to harvest the catch.

(5) Fishing plan for groundfish and halibut CDQ fisheries.

The following information must be provided for all vessels that will be groundfish CDQ fishing, all vessels equal to or greater than 60 ft (18.3 m) LOA that will be halibut CDQ fishing, and for all shoreside processors that will take delivery of groundfish CDQ species from these vessels.

(i) List of eligible vessels and processors

(A) Vessels

(1) Information required for all vessels. A list of the name, Federal fisheries permit number (if applicable), ADF&G vessel number, LOA, gear type, and vessel type (catcher vessel, catcher/processor, or mothership). For each vessel, report only the gear types and vessel types that will be used while CDQ fishing. Any CDQ vessel that is exempt from license limitation requirements under § 679.4(k)(2)(iv) of this part must be identified as such.

(2) Information required for observed vessels using trawl or hook-and-line gear and motherships taking deliveries from these vessels. For each catcher/processor and catcher vessel 60 ft (18.29 m) LOA or greater using trawl or hook-and-line gear and not delivering unsorted codends, or for each mothership, the CDP must include the following information that will be used by NMFS to determine whether sufficient observer coverage is provided to sample each CDQ haul, set, or delivery. Provide the information for groundfish CDQ fishing as defined under § 679.2 and provide separate information by management area or fishery if information differs among management areas or fisheries.

(i) Number of CDQ observers that will be aboard the vessel. For catcher/processors using hook-and-line gear proposing to carry only one CDQ observer, the CDP must include vessel logbook or observer data that demonstrates that one CDQ observer can sample each set for species composition in one 12-hour shift per fishing day.

(ii) Average and maximum number of hauls or sets that will be retrieved on any given fishing day while groundfish CDQ fishing.

(iii) For vessels using trawl gear, the average and maximum total catch weight for any given haul while groundfish CDQ fishing.

(iv) For vessels using trawl gear, the number of hours necessary to process the average and maximum haul size while groundfish CDQ fishing.

(v) For vessels using hook-and-line gear, the average number of hooks in each set and estimated time it will take to retrieve each set while groundfish CDQ fishing.

(vi) Whether any halibut CDQ will be harvested by vessels groundfish CDQ fishing.

(B) Shoreside processors or stationary floating processors. A list of the name, Federal processor permit number, and location of each shoreside processor or stationary floating processor that is required to have a Federal processor permit under § 679.4(f) and will take deliveries of, or process, groundfish CDQ catch from any vessel groundfish CDQ fishing or from vessels equal to or greater than 60 ft (18.3 m) LOA that are halibut CDQ fishing.

(ii) Sources of data or methods for estimating CDQ and PSQ catch. The sources of data or methods that will be used to determine catch weight of CDQ and PSQ for each vessel or processor proposed as eligible

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under the CDP. For each vessel or processor, the CDP must specify whether the NMFS' standard sources of data set forth at § 679.32(d)(2) or some other alternative will be used. For catcher vessels using nontrawl gear, the CDP must also specify whether the vessel will be retaining all groundfish CDQ catch (Option 1) or will be discarding some groundfish CDQ catch at sea (Option 2). The qualified applicant may propose the use of an alternative method such as the sorting and weighing of all catch by species on processor vessels or using larger sample sizes than could be collected by one observer. NMFS will review the proposal and approve it or notify the qualified applicant in writing if the proposed alternative does not meet these requirements. The qualified applicant may remove the vessel or processor for which the alternative method is proposed from the proposed CDP to facilitate approval of the CDP and add the vessel or processor to the approved CDP by substantial amendment at a later date. Alternatives to the requirement for a certified scale or an observer sampling station may not be proposed. NMFS will review the alternative proposal to determine if it meets all of the following requirements:

(A) The alternative proposed must provide equivalent or better estimates than use of the NMFS standard data source would provide and the estimates must be independently verifiable;

(B) Each haul or set on an observed vessel must be able to be sampled by an observer for species composition;

(C) Any proposal to sort catch before it is weighed must assure that the sorting and weighing process will be monitored by an observer; and

(D) The time required for the CDQ observer to complete sampling, data recording, and data communication duties shall not exceed 12 hours in each 24-hour period and the CDQ observer is required to sample no more than 9 hours in each 24-hour period.

(iii) Amendments to the list of eligible vessels and processors. The list of eligible vessels and processors may be amended by submitting the information required in paragraphs (a)(5)(i) and (ii) of this section as an amendment to the approved CDP. A technical amendment may be used to remove any vessel from a CDP, to add any vessel to a CDP if the CDQ group will use NMFS' standard sources of data to determine CDQ and PSQ catch for the vessel, or to add any vessel to a CDP for which an alternative method of determining

CDQ and PSQ catch has been approved by NMFS under an approved CDP for another CDQ group. A substantial amendment must be used to add a vessel to an approved CDP if the CDQ group submits a proposed alternative method of determining CDQ and PSQ catch for NMFS review.

(6) CDQ planning

(i) Transition plan. A proposed CDP must include an overall plan and schedule for transition from reliance on CDQ allocations to self-sufficiency in fisheries. The plan for transition to self-sufficiency must be based on the qualified applicant's long-term revenue stream without CDQs.

(ii) Post-allocation plan. [Reserved]

***(b) Public hearings on CDQ application.***

When the CDQ application period has ended, the State must hold a public hearing to obtain comments on the proposed CDPs from all interested persons. The hearing must cover the substance and content of proposed CDPs so that the general public, particularly the affected parties, have a reasonable opportunity to understand the impact of the proposed CDPs. The State must provide reasonable public notification of hearing date and location. At the time of public notification of the hearing, the State must make available for public review all State materials pertinent to the hearing.

***(c) Council consultation.***

Before the State sends its recommendations for approval of proposed CDPs to NMFS, the State must consult with the Council and make available, upon request, the proposed CDPs that are not part of the State's recommendations.

***(d) Review and approval of proposed CDPs.***

The State must transmit the proposed CDPs and its recommendations for approval of each of the proposed CDPs to NMFS, along with the findings and the rationale for the recommendations, by October 15 of the year prior to the first year of the proposed CDP, except in 1998, when CDPs for the 1998 through 2000 multispecies groundfish CDQs must be submitted by

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July 6, 1998. The State shall determine in its recommendations for approval of the proposed CDPs that each proposed CDP meets all applicable requirements of this part. Upon receipt by NMFS of the proposed CDPs and the State's recommendations for approval, NMFS will review the proposed CDPs and approve those that it determines meet all applicable requirements. NMFS shall approve or disapprove the State's recommendations within 45 days of their receipt. In the event of approval of the CDP, NMFS will notify the State in writing that the proposed CDP is approved by NMFS and is consistent with all requirements for CDPs. If NMFS finds that a proposed CDP does not comply with the requirements of this part, NMFS must so advise the State in writing, including the reasons thereof. The State may submit a revised proposed CDP along with revised recommendations for approval to NMFS.

*(e) Transfer.*

CDQ groups may request that NMFS transfer CDQ allocations, CDQ, PSQ allocations, or PSQ from one group to another by each group filing an appropriate amendment to its CDP. Transfers of CDQ and PSQ allocations must be in whole integer percentages, and transfers of CDQ and PSQ must be in whole integer amounts. If NMFS approves both amendments, NMFS will make the requested transfer(s) by decreasing the account balance of the CDQ group from which the CDQ or PSQ species is transferred by the amount transferred and by increasing the account balance of the CDQ group receiving the transferred CDQ or PSQ species by the amount transferred. NMFS will not approve transfers to cover overages of CDQ or PSQ.

(1) CDQ allocation.

CDQ groups may request that NMFS transfer any or all of one group's CDQ allocation to another by each group filing an amendment to its CDP through the CDP substantial amendment process set forth at paragraph (g)(4) of this section. The CDQ allocation will be transferred as of January 1 of the calendar year following the calendar year NMFS approves the amendments of both groups and is effective for the duration of the CDPs.

(2) CDQ.

CDQ groups may request that NMFS transfer any or all of one group's CDQ for a calendar year to another

by each group filing an appropriate amendment to its CDP. If the amount to be transferred is 10 percent or less of a group's initial CDQ amount for that year, that group's request may be made through the CDP technical amendment process set forth at paragraph (g)(5) of this section. If the amount to be transferred is greater than 10 percent of a group's initial CDQ amount for the year, that group's request must be made through the CDP substantial amendment process set forth at paragraph (g)(4) of this section. The CDQ will be transferred as of the date NMFS approves the amendments of both groups and is effective only for the remainder of the calendar year in which the transfer occurs.

(3) PSQ allocation.

CDQ groups may request that NMFS transfer any or all of one group's PSQ allocation to another CDQ group through the CDP substantial amendment process set forth at paragraph (g)(4) of this section. Each group's request must be part of a request for the transfer of a CDQ allocation, and the requested amount of PSQ allocation must be the amount reasonably required for bycatch needs during the harvesting of the CDQ. Requests for the transfer of a PSQ allocation may be submitted to NMFS from January 1 through January 31. Requests for transfers of a PSQ allocation will not be accepted by NMFS at other times of the year. The PSQ allocation will be transferred as of January 1 of the calendar year following the calendar year NMFS approves the amendments of both groups and is effective for the duration of the CDPs.

(4) PSQ.

CDQ groups may request that NMFS transfer any or all of one group's PSQ for one calendar year to another by each group filing an amendment to its CDP through the CDP substantial amendment process set forth at paragraph (g)(4) of this section. Each group's request must be part of a request for the transfer of CDQ, and the requested amount of PSQ must be the amount reasonably required for bycatch needs during the harvesting of the CDQ. Requests for the transfer of PSQ may be submitted to NMFS from January 1 through January 31. Requests for transfers of PSQ will not be accepted by NMFS at other times of the year. The PSQ will be transferred as of the date NMFS approves the amendments of both groups and is

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effective only for the remainder of the calendar year in which the transfer occurs.

***(f) CDQ group responsibilities.***

A CDQ group's responsibilities include, but are not limited to, the following:

- (1) Direct and supervise all activities of the managing organization;
- (2) Maintain the capability to communicate with all vessels harvesting its CDQ and PSQ at all times;
- (3) Monitor the catch of each CDQ or PSQ;
- (4) Submit the CDQ catch report described at § 679.5(n)(2);
- (5) Ensure that no CDQ, halibut PSQ, or crab PSQ is exceeded;
- (6) Ensure that the CDQ group's CDQ harvesting vessels and CDQ processors will:
  - (i) Provide observer coverage, equipment, and operational requirements for CDQ catch monitoring;
  - (ii) Provide for the communication of observer data from their vessels to NMFS and the CDQ representative;
  - (iii) Maintain contact with the CDQ group for which it is harvesting CDQ and PSQ;
  - (iv) Cease fishing operations when requested by the CDQ group; and
  - (v) Comply with all requirements of this part while harvesting or processing CDQ species.
- (7) Comply with all requirements of this part.

***(g) Monitoring of CDPs***

***(1) Annual progress report.***

- (i) The State must submit to NMFS, by October 31 of each year, an annual progress report for the previous calendar year for each CDP.
- (ii) Annual progress reports must be organized on a project-by-project basis and include information for each CDQ project in the CDP describing how each scheduled milestone in the CDP has been met, and an

estimation by the State of whether each of the CDQ projects in the CDP is likely to be successful.

(iii) The annual report must include a description by the State of any problems or issues in the CDP that the State encountered during the annual report year.

***(2) Annual budget report.***

- (i) Each CDQ group must submit to NMFS an annual budget report by December 15 preceding the year for which the annual budget applies.
- (ii) An annual budget report is a detailed estimate of the income from the CDQ project and of the expenditures for each subsidiary, division, joint venture, partnership, investment activity, or CDQ project as described in paragraph (a)(1)(i) of this section for a calendar year. A CDQ group must identify the administrative costs for each CDQ project. The CDQ group's total administrative costs will be considered a separate CDQ project.
- (iii) An annual budget report is approved upon receipt by NMFS, unless disapproved by NMFS in writing by December 31. If disapproved, the annual budget report will be returned to the CDQ group for revision and resubmittal to NMFS.

***(3) Annual budget reconciliation report.***

A CDQ group must reconcile its annual budget by May 30 of the year following the year for which the annual budget applied. Reconciliation is an accounting of the annual budget's estimated income and expenditures with the actual income and expenditures, including the variance in dollars and variance in percentage for each CDQ project that is described in paragraph (a)(1)(i) of this section.

***(4) Substantial amendments.***

A CDP is a working business plan and must be kept up to date.

(i) Substantial amendments to a CDP require a written request by the CDQ group to the State and NMFS for approval of the amendment. The State must forward the amendment to NMFS with a recommendation as to whether it should be approved.

(ii) NMFS will notify the State in writing of the approval or disapproval of the amendment within 30 days of receipt of both the amendment and the State's recommendation. Except for substantial amendments for the transfer of CDQ and PSQ, which are effective only for the remainder of the calendar year in which the transfer occurs (see paragraphs (e)(2) and (4) of this

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section), once a substantial amendment is approved by NMFS, the amendment will be effective for the duration of the CDP.

(iii) If NMFS determines that the CDP, if changed, would no longer meet the requirements of this subpart, NMFS will notify the State in writing of the reasons why the amendment cannot be approved.

(iv) For the purposes of this section, substantial amendments are defined as changes in a CDP, including, but not limited to:

(A) Any change in the list of communities comprising the CDQ group or replacement of the managing organization.

(B) A change in the CDP applicant's harvesting or processing partner.

(C) Funding a CDP project in excess of \$100,000 that is not part of an approved general budget.

(D) More than a 20-percent increase in the annual budget of an approved CDP project.

(E) More than a 20-percent increase in actual expenditures over the approved annual budget for administrative operations.

(F) A change in the contractual agreement(s) between the CDQ group and its harvesting or processing partner or a change in a CDP project, if such change is deemed by the State or NMFS to be a material change.

(G) Any transfer of a CDQ allocation, PSQ allocation, PSQ, or a transfer of more than 10 percent of a CDQ.

(H) The addition of a vessel to a CDP if the CDQ group submits a proposed alternative method of determining CDQ and PSQ catch under paragraph (a)(5)(ii) of this section for NMFS review.

(v) The request for approval of a substantial amendment to a CDP shall include the following information:

(A) The background and justification for the amendment that explains why the proposed amendment is necessary and appropriate.

(B) An explanation of why the proposed change to the CDP is a substantial amendment.

(C) A description of the proposed amendment, explaining all changes to the CDP that result from the proposed amendment.

(D) A comparison of the original CDP text, with the text of the proposed changes to the CDP, and the revised pages of the CDP for replacement in the CDP

binder. The revised pages must have the revision date noted, with the page number on all affected pages. The table of contents may also need to be revised to reflect any changes in pagination.

(E) Identification of any NMFS findings that would need to be modified if the amendment is approved, along with the proposed modified text.

(F) A description of how the proposed amendment meets the requirements of this subpart. Only those CDQ regulations that are affected by the proposed amendment need to be discussed.

(5) Technical amendments.

Any change to a CDP that is not considered a substantial amendment under paragraph (g)(4)(iv) of this section is a technical amendment.

(i) The CDQ group must notify the State in writing of any technical amendment. Such notification must include a copy of the pages of the CDP that would be revised by the amendment, with the text highlighted to show the proposed deletions and additions, and a copy of the CDP pages as they would be revised by the proposed amendment for insertion into the CDP binder. All revised CDP pages must include the revision date, amendment identification number, and CDP page number. The table of contents may also need to be revised to reflect any changes in pagination.

(ii) The State must forward the technical amendment to NMFS with its recommendations for approval or disapproval of the amendment. A technical amendment is approved by NMFS and is effective when, after review, NMFS notifies the State in writing of the technical amendment's receipt and approval.

*(h) Suspension or termination of a CDP.*

An annual progress report, required under paragraph (g)(1) of this section, will be used by the State to review each CDP to determine whether the CDP, CDQ, and PSQ allocations thereunder should be continued, decreased, partially suspended, suspended, or terminated under the following circumstances:

(1) If the State determines that the CDP will successfully meet its goals and objectives, the CDP may continue without any Secretarial action.

(2) If the State recommends to NMFS that an allocation be decreased, the State's recommendation for

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decrease will be deemed approved if NMFS does not notify the State in writing within 30 days of receipt of the State's recommendation.

(3) If the State determines that a CDP has not successfully met its goals and objectives or appears unlikely to become successful, the State may submit a recommendation to NMFS that the CDP be partially suspended, suspended, or terminated. The State must set out, in writing, the reasons for recommending suspension or termination of the CDP.

(4) After review of the State's recommendation and reasons thereof, NMFS will notify the Governor, in writing, of approval or disapproval of the recommendation within 30 days of its receipt. In the case of suspension or termination, NMFS will publish notification in the *Federal Register*, with reasons thereof.

**Appendix 8  
Factors for Consideration**



## FACTORS FOR CONSIDERATION IN CDP APPLICATION

In reviewing the CDP applications, the state is to consider the following factors.

- CDPs provides specific and measurable benefits to each community participating in the CDP.
- A proposed CDP has the support of all participating communities.
- The CDQ group, to the greatest extent possible, has promoted conservation-based fisheries by taking actions that will minimize bycatch, provide for full retention and increased utilization of the fishery resource, and minimize impact to essential fish habitats.
- The number of participating eligible communities, the population of each community and the economic conditions in each community.
- The size of the allocation requested by the applicant and the proper allocation necessary to achieve the milestones and objectives stated in the proposed CDP.
- The degree, if any, to which each CDQ project is expected to develop a self-sustaining local fisheries economy, and the proposed schedule for transition from reliance on an allocation to economic self-sufficiency.
- The degree, if any, to which each CDQ project is expected to generate capital or equity in the local fisheries economy or infrastructure; or investment in commercial fishing or fish processing operations.
- The applicant's contractual relationship with joint venture partners and the managing organization.
- The applicant's and the applicant's harvesting and processing partners', if any, involvement and diversity in all facets of harvesting and processing.
- The coordination or cooperation with other applicants or CDQ groups on CDQ projects.
- The experience of the applicant's industry partners, if any.
- The applicant's CDQ projects for employment, education, and training that provide career track opportunities.
- The benefits, if any, to the state's economy or to the economy of communities that are not eligible to participate in the CDQ program.
- A demonstration that the applicant has a formal, effective administrative process that sets out sound business principles and examples of due diligence that the applicant will exercise.
- The development, if any, of innovative products and processing techniques as well as innovation in harvesting gear for conservation and maximum utilization of the fishery resource.
- The applicant's ability to maintain control over each of its allocations.
- The capital or equity to be generated by the applicant's CDQ projects for fisheries-related business investment.
- The past performance of the applicant and the applicant's industry partners, as appropriate.
- The applicant's transition plan, including the objectives set out in the milestone table.
- The inclusion in the proposed CDP of realistic measurable milestones for determining progress.
- The degree of participating community input in developing the proposed CDP.
- The likely effectiveness of the outreach project.

## FACTORS FOR CONSIDERATION IN CDP APPLICATION

- Comments provided by other agencies, organizations, and the public.

Confidential Information Not Released

Appendix 9  
CDQ Harvesting Contacts

Confidential Information Not Released

Appendix 10  
NSEDG's Community Benefit Share Project